

CONFERENCE COMMITTEE REPORT

Senate Bill No. 214 by Senator Dupre

June 11, 2003

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill 214 by Senator Dupre recommend the following concerning the Reengrossed bill:

1. That House Committee Amendment No. 1 proposed by the House Committee on Appropriations and adopted by the House of Representatives on May 20, 2003 be adopted.
2. That House Committee Amendments No. 2, 3, 4, 5, 6, 7, 8, and 9 proposed by the House Committee on Appropriations and adopted by the House of Representatives on May 20, 2003 be rejected.
3. That House Committee Amendments No. 1 and 2 proposed by the House Committee on Civil Law and Procedure and adopted by the House of Representatives on May 22, 2003 be rejected.
4. That the following amendments to the reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, change "10.5(C)" to "10.5(B) and (C)"

AMENDMENT NO. 2

On page 1, line 11, after "Fund;" and before "and to specify" insert "to correct an incorrect reference to the Budget Stabilization Fund;"

AMENDMENT NO. 3

On page 2, line 19, after "funds are available" delete the remainder of the line and delete lines 20 and 21 and insert ", without excluding highway projects otherwise eligible as capital projects under other provisions of this constitution."

AMENDMENT NO. 4

On page 2, line 26, change "10.5(C)" to "10.5(B) and (C)"

AMENDMENT NO. 5

On page 3, line 12, after "**law**" and before the period "." insert "**, but in no event shall the amount provided by law be less than five hundred million dollars**"

AMENDMENT NO. 6

On page 3, line 26, after "**law**" and before the period "." insert "**, but in no event shall the amount provided by law be less than five hundred million dollars**"

AMENDMENT NO. 7

On page 4, line 8, after "**law**" and before the period "." insert "**, but in no event shall the amount provided by law be less than five hundred million dollars**"

AMENDMENT NO. 8

On page 4, between lines 13 and 14, insert the following:

"(B) After making the allocations provided for in Paragraph (A), the treasurer shall then deposit in and credit to the Mineral Revenue Audit and Settlement Fund any such remaining revenues. Any revenues deposited in and credited to the fund shall be considered mineral revenues from severance taxes, royalty payments, bonus payments, or rentals for purposes of determining deposits and credits to be made in and to the Wetlands Conservation and Restoration Fund as provided in Article VII, Section 10.2 of this constitution. Any

revenues deposited in and credited to the fund shall not be considered mineral revenues for purposes of the ~~Revenue Stabilization Mineral Trust Fund~~ **Budget Stabilization Fund** as provided in Article VII, Section 10.3 of this constitution. Money in the fund shall be invested as provided by law. The earnings realized in each fiscal year on the investment of monies in the Mineral Revenue Audit and Settlement Fund shall be deposited in and credited to the Mineral Revenue Audit and Settlement Fund."

AMENDMENT NO. 9

On page 4, line 17, change "**twenty-five**" to "**thirty-five**"

AMENDMENT NO. 10

On page 5, delete line 13 and insert "Requires that thirty-five million dollars annually of monies in the Mineral Revenue Audit and Settlement Fund"

AMENDMENT NO. 11

On page 5, line 16, after "highway construction" delete "and" and on line 17 delete "insurance pool purposes"

AMENDMENT NO. 12

On page 5, line 22, after "District" and before "and provides" insert ", corrects an incorrect reference to the Budget Stabilization Fund,"

AMENDMENT NO. 13

On page 5, line 24, after "law" and before the period "." insert ", but in no event shall the amount provided by law be less than five hundred million dollars"

AMENDMENT NO. 14

On page 5, line 25, change "10.5(C)" to "10.5(B) and (C)"

Respectfully submitted,

Senators:

Representatives:

Senator Reggie P. Dupre, Jr.

Representative Loulan J. Pitre, Jr.

Senator John Hainkel

Representative Charlie DeWitt

Senator Jay Dardenne

Representative Jerry Luke LeBlanc

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Tom Wade.

CONFERENCE COMMITTEE REPORT DIGEST

SB No. 214 by Senator Dupre

Keyword and summary of the bill as it left the Senate

FUNDS/FUNDING. Constitutional amendment authorizing certain uses for nonrecurring revenues, authorizing certain deposits into the Wetlands Conservation and Restoration Fund, and eliminating the cap on mineral revenues that can be part of the balance in that fund. (2/3-CA13s1(A))

Report adopts House amendments to:

1. Provide a technical amendment.

Report rejects House amendments which would have:

1. Deleted provision authorizing use of nonrecurring revenue to provide new highway construction for which federal matching funds are available and for creation of a funding source to provide an insurance pool for casualty, property, or other insurance for which federal matching funds are available.
2. Provided that the balance of the Wetlands Conservation and Restoration Fund which consists of mineral revenues shall not be less than five hundred million dollars.
3. Increased the deposit into the Wetlands Conservation and Restoration Fund from \$25 million to \$50 million.

Report amends the bill to:

1. Correct an incorrect reference to the Budget Stabilization Fund.
2. Increase the deposit into the Wetlands Conservation and Restoration Fund from \$25 million to \$35 million.
3. Delete provision authorizing use of nonrecurring revenue to provide an insurance pool for casualty, property, or other insurance for which federal matching funds are available while retaining the provision authorizing use of nonrecurring revenue to provide new highway construction for which federal match funds are available.
4. Provide that the balance of the Wetlands Conservation and Restoration Fund which consists of mineral revenues shall not exceed an amount provided by law, but in no event shall the amount provided by law be less than five hundred million dollars.

Digest of the bill as it left the Senate

Present constitution established the Wetlands Conservation and Restoration Fund (WCR Fund) in the state treasury. Monies in this fund may be appropriated only for purposes consistent with the Wetlands Conservation and Restoration Plan developed by the Wetlands Conservation and Restoration Authority.

Present constitution provides that Revenue Estimating Conference shall designate in each official forecast those monies which are nonrecurring. Such nonrecurring monies shall be allocated or appropriated for the following purposes:

- (1) Retiring or defeasance of state debt in advance of maturity.

- (2) Providing for payments against unfunded accrued liability of public retirement systems which payments are in addition to the required annual amortization.
- (3) Providing funding for capital outlay projects.
- (4) For allocation or appropriation for deposit into the Budget Stabilization Fund.

Proposed constitutional amendment adds to the authorized purposes for which nonrecurring revenues may be used for appropriation for deposit in the Wetlands Conservation and Restoration Fund and providing for new highway construction for which federal matching funds are available, for creation or a funding source for an insurance pool for casualties, property, or other insurance for which federal matching funds are available.

Present constitution established the Mineral Audit and Settlement Fund in the state treasury. Revenues received in each fiscal year through settlements or judgments which equal in principal and interest \$5 million or more from underpayment to the state of severance taxes, royalty payments, bonus payments or rentals shall be deposited in this fund, after making certain constitutionally required allocations.

Monies in the fund may be appropriated for the following purposes:

- (1) For retirement in advance of maturity through redemption, purchase, or repayment of debt of the state or of the Louisiana Recovery District.
- (2) For payments against the unfunded accrued liability of public retirement systems which payments are in addition to the required annual amortization.

Proposed constitutional amendment provides for \$25 million to be deposited into the WCR Fund before using any settlement funds for purposes authorized in present law and adds as an additional authorized use deposit into the WCR Fund.

Present constitution provides for the deposit of certain mineral revenues from the production or exploration received by the state into the fund. After providing for allocations to the Bond Security and Redemption Fund, severance and royalty allocations to the parishes where production occurs, and to the Louisiana Wildlife and Fisheries Conservation Fund and the Louisiana Education Quality Trust Fund, the following are deposited in the fund:

- (1) \$5 million annually
- (2) \$10 million of the mineral revenues in excess of \$600 million
- (3) \$10 million of the mineral revenues in excess of \$650 million

The balance in the WCR Fund consisting of such mineral revenues shall not exceed \$40 million.

Proposed constitutional amendment changes this \$40 million limitation to an amount to be provided by law.

Specifies submission of the amendment to the voters at the gubernatorial primary election in 2003.

(Amends Art. VII, Sec. 10.2(B) and (C) and 10.5(C); adds Art. VII, Sec. 10(D)(2)(e) and (f))