

SB 214 BY SENATOR DUPRE

KEYWORD AND SUMMARY

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))

SUMMARY OF HOUSE AMENDMENTS TO SENATE BILL

1. Increases the deposit into the WCR Fund from \$25 million to \$50 million.
2. Deletes 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.
3. Provides for the cap of mineral revenues to be provided by law cannot be less than \$500 million.

DIGEST OF THE SENATE BILL AS IT LEFT THE SENATE

Dupre (SB 214)

DIGEST

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))

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