

Regular Session, 2011

SENATE BILL NO. 147

BY SENATOR CHAISSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING. Constitutional amendment to provide relative to deposits into the Budget Stabilization Fund. (2/3-CA13s1(A)) (7/1/12)

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A JOINT RESOLUTION

Proposing to add Article VII, Section 10.3(C)(5) of the Constitution of Louisiana, relative to the Budget Stabilization Fund; to provide for deposits into the Budget Stabilization Fund in certain circumstances; to provide for the interruption of deposits into the Budget Stabilization Fund in certain circumstances; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 10.3(C)(5) of the Constitution of Louisiana, to read as follows:

ARTICLE VII

§10.3. Budget Stabilization Fund

Section 10.3.

* * *

(C) The money in the fund shall not be available for appropriation or use except under the following conditions:

* * *

(5)(a) If at any time mineral revenues exceed the base as provided in Subsubparagraphs (A)(2)(a) and (b), and monies in the fund are made available for appropriation or use as provided in Paragraph (C), no deposit of mineral revenues shall be made as provided in Subsubparagraph (A)(2)(a) in the fiscal year for which money in the fund is appropriated or for which money in the fund is incorporated into the official forecast nor for the ensuing fiscal year, except by specific appropriation by the legislature. Thereafter, deposits of mineral revenues shall resume as provided in Subsubparagraph (A)(2)(a) except in an annual amount not to exceed twenty-five percent of the most recent amount made available for appropriation or use as provided in this Paragraph until either the balance in the fund equals the maximum as provided in Subparagraph (C)(4) or an amount equal to the amount made available for appropriation or use is deposited into the fund, whichever is less.

(b) Except as provided in Subsubparagraph (C)(5)(a) of this Paragraph, in the fiscal year for which money in the fund is appropriated or incorporated into the official forecast or for the ensuing fiscal year, deposits to the fund shall be made as provided in Paragraph (A) of this Section.

Section 2. Be it further resolved that this proposed amendment shall become effective July 1, 2012.

Section 3. Be it further resolved that this proposed amendment shall be submitted to the electors of the state of Louisiana at the statewide election to be held on October 22, 2011.

Section 4. Be it further resolved that on the official ballot to be used at said election there shall be printed a proposition, upon which the electors of the state shall be permitted to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall read as follows:

To provide that if at any time mineral revenues exceed the base provided by law and monies are withdrawn from the Budget Stabilization Fund, no

1 deposit of mineral revenues shall be made to the Budget Stabilization Fund
 2 in the same or ensuing fiscal year in which monies in the fund are
 3 appropriated or incorporated into the official forecast, except by specific
 4 legislative appropriation, and thereafter deposits of mineral revenues into the
 5 fund shall resume except in an annual amount not to exceed twenty-five
 6 percent of the most recent amount appropriated or incorporated into the
 7 official forecast.

8 (Adds Article VII, Section 10.3(C)(5))

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

Chaisson (SB 147)

Present constitution establishes the Budget Stabilization Fund in the constitution and provides the following revenues are to be deposited into the fund:

- (1) Monies available for appropriation in excess of the expenditure limit.
- (2) All mineral revenues received by the state in each fiscal year in excess of the base, which, by legislative act, was increased to \$850 million.
- (3) 25% of any monies recognized by the Revenue Estimating Conference as nonrecurring.
- (4) Any other monies appropriated to the fund by the legislature including the balance of any monies declared to be nonrecurring.

Proposed constitutional amendment retains present constitution.

Present constitution permits up to 1/3 of the Budget Stabilization Fund, subject to 2/3 approval of each house of the legislature, to be incorporated in the next fiscal year's official forecast if revenue estimates for the next fiscal year are less than the official forecast for the current fiscal year. Present constitution further permits up to 1/3 of the Budget Stabilization Fund, subject to 2/3 approval of each house of the legislature, to be appropriated for the current fiscal year budget if a deficit for the current fiscal year is projected due to a decrease in the official forecast.

Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment provides that if at any time mineral revenues exceed the base and money in the fund is made available for appropriation or use as provided in present constitution, no deposit of mineral revenues shall be made in the fiscal year for which money in the fund is appropriated or for which money in the fund is incorporated into the official forecast nor for the ensuing fiscal year, except by specific appropriation. Thereafter, deposits of mineral revenues shall resume as provided in present constitution except in an annual amount not to exceed 25% of the most recent amount made available for appropriation or use until the balance in the fund equals the maximum or an amount equal to the amount made available for appropriation or use is deposited into the fund, whichever

is less.

Proposed constitutional amendment further provides that all other deposits, except mineral revenues, shall continue to be made to the fund in the fiscal year for which money in the fund is appropriated or incorporated into the official forecast or for the ensuing fiscal year.

Specifies submission of the amendment to the voters at the statewide election to be held on October 22, 2011.

Effective July 1, 2012, if approved by voters.

(Adds Const. Art. VII, Sec. 10.3(C)(5))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill.

1. Revises circumstances when deposits of mineral revenues do not have to be made to the fund.
2. Authorizes legislature to appropriate mineral revenues to the fund in periods when deposits of mineral revenues otherwise are not required to be made to the fund.
2. Provides that when deposits to the fund resume they shall not exceed 25% of the most recent amount made available for appropriation or use.
3. Adds effective date of constitutional provision.