

Regular Session, 2014

HOUSE BILL NO. 884

BY REPRESENTATIVE ST. GERMAIN

FUNDS/FUNDING: Provides with regard to dedications of certain excess mineral revenues and deposits into the Budget Stabilization Fund

1 AN ACT

2 To enact R.S. 39:94(A)(2)(a)(iv), relative to special treasury funds; to provide with respect
3 to deposits into the Budget Stabilization Fund; to provide for effectiveness; and to
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 39:94(A)(2)(a)(iv) is hereby enacted to read as follows:

7 §94. Budget Stabilization Fund

8 A. There is hereby created in the state treasury a special fund to be
9 designated as the Budget Stabilization Fund, hereafter referred to in this Section as
10 the "fund", which shall consist of all money deposited into the fund in accordance
11 with Article VII, Section 10.3 of the Constitution of Louisiana. Money shall be
12 deposited in the fund as follows:

13 * * *

14 (2)(a) All revenues received in each fiscal year by the state in excess of eight
15 hundred fifty million dollars, hereinafter referred to as the "base", as a result of the
16 production of or exploration for minerals, hereinafter referred to as "mineral
17 revenues", including severance taxes, royalty payments, bonus payments, or rentals,
18 and excluding such revenues designated as nonrecurring pursuant to Article VII,
19 Section 10(B) of the Constitution of Louisiana, any such revenues received by the
20 state as a result of grants or donations when the terms or conditions thereof require

1 otherwise and revenues derived from any tax on the transportation of minerals, shall
 2 be deposited in the fund after the following allocations of said mineral revenues have
 3 been made:

4 * * *

5 (iv) To the Transportation Trust Fund as provided by Article VII, Section
 6 27(A)(2) of the Constitution of Louisiana.

7 * * *

8 Section 2. This Act shall take effect and become operative if and when the proposed
 9 amendment of Article VII, Sections 10.3 and 27 of the Constitution of Louisiana contained
 10 in the Act which originated as House Bill No. 629 of this 2014 Regular Session of the
 11 Legislature is adopted at a statewide election and becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

St. Germain

HB No. 884

Abstract: Adds a deposit into the Transportation Trust Fund to the list of dedications of excess mineral revenues that must occur before the balance of such revenues are deposited into the Budget Stabilization Fund.

Present constitution and present law establish the Budget Stabilization Fund and requires the deposit of mineral revenues in excess of \$750 million (base amount) derived from the production of or exploration for minerals (mineral revenue), including severance taxes, royalty payments, bonus payments, or rentals, and excluding revenues designated as nonrecurring pursuant to Article VII, Section 10(B) of the constitution, revenues received by the state as a result of grants or donations when the terms or conditions of the grant require otherwise, and revenues derived from any tax on the transportation of minerals, such deposit to be made after the following allocations of said mineral revenues have been made:

- (1) To the Bond Security and Redemption Fund as provided by Article VII, Section 9 (B) of present constitution.
- (2) To the political subdivisions of the state as provided in Article VII, Sections 4 (D) and (E) of present constitution.
- (3) As provided by the requirements of Article VII, Section 10-A and 10.1 of present constitution.

Present constitution authorizes an increase in the base amount for deposits into the Budget Stabilization Fund every ten years beginning in 2000 by a law enacted by two-thirds of the elected members of each house of the legislature. Present law provides that the base amount is \$850 million.

Present constitution and present law provide that monies in the Budget Stabilization Fund are available exclusively for use in the case of an existing or projected budget deficit.

Present constitution establishes the Transportation Trust Fund (TTF) as a special treasury fund into which the proceeds of the state tax on gasoline and other fuels is deposited. Monies in the TTF are used for support of the state's highway priority program administered by the Dept. of Transportation and Development.

Proposed law requires the first \$50 million of excess mineral revenues above the base amount established in present law and present constitution for the Budget Stabilization Fund be deposited into the TTF before the balance of such revenues is deposited into the Budget Stabilization Fund. The deposit would be made each year beginning July 1, 2015, and end in the fiscal year that ends June 30, 2025.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 629 of this 2014 R.S. is adopted at a statewide election and becomes effective.

(Adds R.S. 39:94(A)(2)(a)(iv))

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Changes the reference to the bill upon which this bill is contingent from HB 628 to HB 629.