

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

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

DIGEST

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 constitution and law changes the name of the Budget Stabilization Fund to the Budget and Transportation Stabilization Fund and provides for the purposes and uses of monies in the fund.

Proposed constitution and law creates the Budget Stabilization Account and the Transportation Stabilization Account in the Budget and Transportation Stabilization Fund and provides for allocations of mineral revenues to the accounts and uses of monies in the accounts.

Proposed constitution and law relative to the Budget Stabilization Account, provides that revenues shall be deposited as follows: in FY2015, until the balance equals \$470 million; in FY2016, until the balance equals \$495 million; in FY2017, until the balance equals \$520 million; in FY2018, and thereafter, until the balance equals \$600 million which shall be annually adjusted for inflation pursuant to an inflation factor as determined by the Revenue Estimating Conference beginning in FY2019.

Proposed constitution and law provides that revenues shall be deposited to the Transportation Stabilization Account, after the balance of the Budget Stabilization Account reaches \$600 million, as follows: FY2018, an amount not to exceed \$100 million; no deposits in FY2019;

in FY2020 and each fiscal year thereafter, deposits shall be made not to exceed \$50 million until the amount of \$500 million dollars is deposited into the Transportation Stabilization Account. Monies in the account shall be used as provided by the Transportation Trust Fund Section of the constitution.

Further provides that if at any time mineral revenues exceed the base in the Budget and Transportation Stabilization Fund and monies in the fund are made available for appropriations or use as authorized by law, no deposit shall be made in the fiscal year for which money in the fund is appropriated or incorporated into the official forecast or in the ensuing year, except by specific legislative appropriation.

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

(Adds R.S. 39:94(A)(2)(c) and (c)(5))

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.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the reengrossed bill

1. Changes the name of the Budget Stabilization Fund to the Budget and Transportation Stabilization Fund and provides for the purposes and uses of monies in the fund.
2. Creates the Budget Stabilization Account and the Transportation Stabilization Account in the Budget and Transportation Stabilization Fund and provides for allocations of monies to the accounts and uses of monies in the accounts.
3. Relative to the Budget Stabilization Account, provides that revenues shall be deposited as follows: in FY2015, until the balance equals \$470 million; in FY2016, until the balance equals \$495 million; in FY2017, until the balance equals \$520 million; in FY2018, and thereafter, until the balance equals \$600 million - to be annually adjusted for inflation pursuant to a factor as determined by the Revenue Estimating Conference beginning in FY2019.
4. Provides that revenues shall be deposited in the Transportation Stabilization Account after the balance of the Budget Stabilization Account reaches \$600 million, as follows: in FY2018, an amount not to exceed \$100 million; no deposits in FY2019; in FY2020 and each fiscal year thereafter, deposits shall be made not to exceed \$50 million until the amount of \$500 million dollars is deposited into the Transportation Stabilization Account. Monies in the account shall be used as provided by the Transportation Trust Fund Section of the constitution.
5. Provides that if at any time mineral revenues exceed the base in the Budget and Transportation Stabilization Fund and monies in the fund are made available for appropriations or use as authorized by law, no deposit shall be made in the fiscal year for which money in the fund is appropriated or incorporated into the official forecast or in the ensuing year, except by specific legislative appropriation.