

2016 First Extraordinary Session

HOUSE BILL NO. 86

BY REPRESENTATIVE LEGER

FUNDS/FUNDING: Establishes the Revenue Stabilization Trust Fund (Item #7)

1 AN ACT

2 To enact Subpart P-4 of Part II-A of Chapter I of Subtitle I of Title 39 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.111 and 100.112, relative
4 to dedications of mineral revenues; to create the Revenue Stabilization Trust Fund;
5 to provide for deposits into the funds; to provide for investments of the fund; to
6 provide for uses of the fund; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart P-4 of Part II-A of Chapter I of Subtitle I of Title 39 of the
9 Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:100.111 and 100.112, is
10 hereby enacted to read as follows:

11 SUBPART P-4. RESTRICT, RESTORE, REBUILD ACT

12 §100.111. This Subpart shall be know as the "Restrict, Restore, Rebuild Act".

13 §100.112. Revenue Stabilization Trust Fund

14 A. There is hereby established in the state treasury a special trust fund, the
15 Revenue Stabilization Trust Fund, hereinafter referred to as the "fund".

16 B. After allocation of money to the Bond Redemption and Security Fund as
17 provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer
18 shall deposit in and credit to the fund the revenues as provided for in Subsections C
19 and D of this Section.

1 C.(1) The treasurer shall deposit into the fund the amount of mineral
2 revenues received in each year in excess of six hundred fifty million dollars and less
3 than nine hundred fifty million dollars. For the purpose of this Section, mineral
4 revenues are revenues received in each fiscal year by the state as a result of the
5 production or exploration for minerals and as further defined in Paragraph (2) of this
6 Subsection. The deposit of mineral revenues into the fund shall exclude the
7 following deposits of mineral revenues:

8 (a) To the Bond Security and Redemption Fund as provided by Article VII,
9 Section 9 (B) of the Constitution of Louisiana.

10 (b) To the political subdivisions of the state as provided in Article VII,
11 Sections 4(D) and (E) of the Constitution of Louisiana.

12 (c) To the Louisiana Wildlife and Fisheries Conservation Fund as provided
13 by the requirements of Article VII, Section 10-A of the Constitution of Louisiana and
14 R.S. 47:324, R.S. 56:799, and 799.3.

15 (d) To the Louisiana Wildlife and Fisheries Conservation Fund and the Oil
16 and Gas Regulatory Fund as provided in R.S. 30:136.1(D).

17 (e) To the Rockefeller Wildlife Refuge Trust and Protection Fund as
18 provided in R.S. 56:797.

19 (f) To the Marsh Island Operating Fund and the Russell Sage or Marsh
20 Island Refuge Fund as provided in R.S. 56:798.

21 (g) To the MC Davis Conservation Fund as provided in R.S. 56:799.

22 (h) To the White Lake Property Fund as provided in R.S.56:799.3.

23 (i) To the Louisiana Education Quality Trust Fund as provided in Article
24 VII, Section 10.1 of the Constitution of Louisiana.

25 (j) To the Coastal Protection and Restoration Fund as provided in Article
26 VII, Section 10.2 of the Constitution of Louisiana and R.S. 49:214.5.4.

27 (k) To the Mineral Revenue Audit and Settlement Fund as provided in
28 Article VII, Section 10.5 of the Constitution of Louisiana and R.S. 39.97.

1 (l) To the Budget Stabilization Fund as provided in Article VII, Section 10.3
2 of the Constitution of Louisiana and R.S. 39:94.

3 (m) An amount equal to the state general fund deposited into the
4 Transportation Trust Fund and the Transportation Infrastructure Bank Fund as
5 provided in R.S. 48:77.

6 (2) For purposes of this Section, "mineral revenues" shall include severance
7 taxes, royalty payments, bonus payments, or rentals, with the following exceptions:

8 (a) Revenues designated as nonrecurring, pursuant to Article VII, Section
9 10(B) of the Constitution of Louisiana.

10 (b) Revenues received by the state as a result of grants or donations when the
11 terms or conditions thereof require otherwise.

12 (c) Revenues derived from any tax on the transportation of minerals.

13 D. The treasurer shall deposit into the fund the amount of revenues in excess
14 of five hundred million dollars received each fiscal year from corporate franchise
15 and income taxes as recognized by the Revenue Estimating Conference.

16 E.(1) Except as provided for in Subsection F of this Section, monies
17 deposited into the Revenue Stabilization Trust Fund shall be permanently credited
18 to the trust fund and shall be invested by the treasurer in the same manner as
19 investments of the Millennium Trust, as provided in R.S. 39:98.2.

20 (2) The treasurer shall deposit all interest or other income from investment
21 on the fund into the state general fund.

22 F.(1) Except as provided in Paragraph (2) of this Subsection, no
23 appropriations shall be made from the Revenue Stabilization Trust Fund.

24 (2) In any fiscal year in which the balance of the fund at the beginning of the
25 year is in excess of ten billion dollars, the legislature may appropriate an amount not
26 to exceed five percent of the fund balance for the same purposes as money
27 designated in the official forecast as nonrecurring pursuant to Article VII, Section
28 10(D)(2) of the Constitution of Louisiana.

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)]

HB 86 Original

2016 First Extraordinary Session

Leger

Abstract: Creates the Revenue Stabilization Trust Fund as a special treasury trust fund and deposits into the fund mineral revenues and corporate income revenues.

Proposed law establishes the Mineral Revenue Stabilization Trust Fund as a special treasury trust fund.

Proposed law deposits into the fund mineral revenues between \$650 million and \$950 million received during the fiscal year. Further excludes the deposit into the fund of mineral revenues required under present constitution and present law, as follows:

- (1) The Bond Security and Redemption Fund.
- (2) Severance tax and royalty payments to the political subdivisions of the state.
- (3) The Louisiana Wildlife and Fisheries Conservation Fund.
- (4) The Oil and Gas Regulatory Fund.
- (5) The Rockefeller Wildlife Refuge Trust and Protection Fund.
- (6) The Marsh Island Operating Fund and the Russell Sage or Marsh Island Refuge Fund.
- (7) The MC Davis Conservation Fund.
- (8) The White Lake Property Fund.
- (9) The Louisiana Education Quality Trust Fund (the 8g Fund).
- (10) The Coastal Protection and Restoration Fund.
- (11) The Mineral Revenue Audit and Settlement Fund.
- (12) The Budget Stabilization Fund.
- (13) An amount equal to the state general fund deposited into the Transportation Trust Fund and the Transportation Infrastructure Bank Fund.

Proposed law deposits into the fund corporate income and franchise tax revenues over \$500 million received during the fiscal year.

Proposed law authorizes investment of the money in the fund in the same manner as investments of the Millennium Trust as provided for in present law.

Proposed law deposits into the state general fund all interest and other income earned on investments of the fund.

Proposed law prohibits any appropriations from the fund, with an exception for any fiscal year in which the balance of the fund at the beginning of the year is in excess of \$10 billion,

the legislature may appropriate an amount not to exceed 5% of the fund balance for the same purposes as money designated in the official forecast as nonrecurring pursuant to present constitution. Those uses include:

- (1) Retiring or for the defeasance of debt.
- (2) Payments against the unfunded accrued liability of the public retirement systems.
- (3) Capital outlay projects in the comprehensive state capital budget.
- (4) Deposits into the Budget Stabilization Fund.
- (5) Deposits into the Coastal Protection and Restoration Fund.
- (6) New highway construction.

(Adds R.S. 39:100.111 and 100.112)