
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 512 Original

2016 Regular Session

Shadoin

Abstract: Eliminates certain constitutional dedications of revenue.

Present constitution creates the Louisiana Education Quality Trust Fund (Const. Art. 7, §10.1) and deposits into the trust revenues from the federal government related to mineral activities on the outer continental shelf. Further prohibits appropriations from the trust and provides that once the balance of the trust reaches \$2 billion, all recurring revenues in the trust are deposited into the state general fund. Proposed constitutional amendment changes the name of the trust from Louisiana Education Quality Trust Fund to the Louisiana Quality Trust Fund.

Present constitution further creates the Louisiana Quality Education Support Fund and deposits into the fund 75% of certain revenues into the trust and interest earnings from the trust. The monies in the fund are available for appropriation only for educational purposes. Proposed constitutional amendment eliminates the Louisiana Quality Education Support Fund. Changes the source receiving the deposit of 75% of revenues that go into the trust and interest earnings from the Louisiana Quality Education Support Fund to the state general fund.

Present constitution creates the Millennium Trust (Const. Art. 7, §10.8) and deposits 75% of the monies received from the multi-state tobacco settlement agreement into the trust. Present constitution further creates the Louisiana Fund (Const. Art. 7, §10.9) and deposits 25% of the monies received from the multi-state tobacco settlement agreement. The monies in the Louisiana Fund are available for use for healthcare and educational purposes. Proposed constitutional amendment eliminates the Louisiana Fund and changes the amount deposited into the Millennium Trust from monies received from the multi-state tobacco settlement agreement into the trust from 75% to all monies received from the agreement.

Present constitution further creates three funds within the Millennium Trust: the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund. Present constitution allocates 1/3 of the interest earnings on the trust to the Health Excellence Fund and the Education Excellence Fund. Monies in the Health Excellence Fund are available only for certain healthcare related purposes and the monies in the Education Excellence Fund are available only for certain healthcare related purposes. Present constitution allocates all of the monies received from the multi-state tobacco settlement agreement and deposited into the Millennium Trust into the TOPS Fund and further allocates 1/3 of the interest earnings on the trust to the TOPS Fund. Monies in the TOPS Fund can be used only for financial assistance for students attending Louisiana institutions of higher education. Proposed constitutional amendment eliminates the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund in the constitution. Proposed constitutional amendment changes the source receiving all of the monies from the tobacco settlement agreement and deposited into the Millennium Trust from the TOPS Fund to the state general fund. Further changes the source receiving the interest earnings on the trust from an allocation of 1/3 of the amount to the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund to the state general fund.

Present constitution authorizes the legislature to create a state lottery and requires that the net proceeds be deposited into the Lottery Proceeds Fund and used to fund the Minimum Foundation Program (Const. Art. 12, §6). Proposed constitutional amendment deletes the requirement that the net lottery proceeds are deposited into the Lottery Proceeds Fund and used to fund the Minimum Foundation Program.

Present constitution creates the Transportation Trust Fund (Const. Art. 7, §27) and deposits into the trust certain taxes on certain fuels and vehicle licenses (Const. Art. 7, §5). Proposed constitutional amendment changes the dedication of the tax on vehicle licenses from the Transportation Trust Fund to the state general fund. Proposed constitutional amendment retains present constitution regarding the deposit of taxes on fuels into the fund through Fiscal Year 2014-2017. For the fiscal year beginning on July 1, 2017, dedicates the one cent of the taxes levied on fuels necessary to the

dedication to the Parish Transportation Fund, the amount necessary to satisfy revenues pledged for debt service on Jan. 1, 2015, and deposits of taxes levied on fuels into the trust may be provided by law.

Present constitution authorizes the state to levy certain taxes on natural resources when they are extracted, also known as a severance tax, and certain mineral lease royalties (Art 7, §4). Present constitution dedicates certain portions of the taxes and royalties to the parish government authority in which the extraction or production of the natural resource occurred. Proposed constitutional amendment eliminates the dedication of the severance tax to parish government authorities.

Proposed constitutional amendment eliminates the following special treasury funds in the constitution and the constitutional requirements regarding such funds:

Coastal Protection and Restoration Fund	Const. Art 7, §10.2
Higher Education Louisiana Partnership Fund	Const. Art 7, §10.4
Louisiana Investment Fund for Enhancement	Const. Art 9, §10
Mineral Revenue Audit and Settlement Fund	Const. Art 7, §10.5

Authorizes and directs the state treasurer to transfer any unencumbered balances remaining in the funds repealed and abolished in the proposed constitutional amendment to the state general fund after satisfying the appropriations for Fiscal Year 2016-2017.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2016.

Effective July 1, 2017.

(Amends Art. VI, §38.1(C), and Art. VII, §§4.1, 5, 10.1(A) and (B), 10.8(A)(1) and (B), and 27(A) and (B), and Art. XII, §6(A)(1); Repeals Art. VII, §§10.1(C) and (D), 10.2, 10.4, 10.5, 10.8(A)(2), (3), (4), and (5) and (C), 10.9, and Art. IX, §10)