

2016 Regular Session

HOUSE BILL NO. 829

BY REPRESENTATIVE LANCE HARRIS

FUNDS/FUNDING: Establishes the Mineral Revenue Stabilization Trust Fund and provides for the dedication of mineral revenues

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, relative to the
4 dedication of mineral revenues; to establish the Mineral Revenue Stabilization Trust
5 Fund; to provide for deposit, use, and investment of monies in the Mineral Revenue
6 Stabilization Trust Fund; to provide for investments of mineral revenues; to provide
7 for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

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

12 SUBPART P-4. MINERAL REVENUE STABILIZATION TRUST FUND

13 §100.111. Mineral Revenue Stabilization Trust Fund

14 A. The Mineral Revenue Stabilization Trust Fund is established in the state
15 treasury as a special permanent trust. After allocation of the money to the Bond
16 Security and Redemption Fund as provided in Article VII, Section 9(B) of this
17 constitution, the treasurer shall annually deposit in and credit to the Mineral Revenue
18 Stabilization Trust Fund any monies received from mineral revenues after a deposit
19 of two hundred million dollars from mineral revenues into the state general fund. The
20 deposit of mineral revenues into the fund shall exclude the following allocations:

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

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

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

8 (4) To the Louisiana Wildlife and Fisheries Conservation Fund and the Oil
9 and Gas Regulatory Fund as provided in R.S. 30:136.1(D).

10 (5) To the Rockefeller Wildlife Refuge Trust and Protection Fund as
11 provided in R.S. 56:797.

12 (6) To the Marsh Island Operating Fund and the Russell Sage or Marsh
13 Island Refuge Fund as provided in R.S. 56:798.

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

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

16 (9) To the Louisiana Education Quality Trust Fund and Louisiana Education
17 Quality Support Fund as provided in Article VII, Section 10.1 of the Constitution of
18 Louisiana.

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

21 (11) To the Mineral Revenue and Audit Settlement Fund as provided in
22 Article VII, Section 10.5 of the Constitution of Louisiana and R.S. 39:97.

23 (12) To the Budget Stabilization Fund as provided in Article VII, Section
24 10.3 of the Constitution of Louisiana and R.S. 39:94.

25 (13) An amount equal to the state general fund deposited into the
26 Transportation Trust Fund and the Louisiana State Transportation Infrastructure
27 Fund as provided in R.S. 48:77.

28 B. Mineral revenues in excess of the base which would otherwise be
29 deposited into the Budget Stabilization Fund under Article VII, Section 10.3(A)(2)

1 of this constitution, but are prohibited from being deposited into the Budget
2 Stabilization Fund under Article VII, Section 10.3(C)(4) of this constitution, shall
3 be deposited into the Mineral Revenue Stabilization Trust Fund.

4 C. Mineral revenues deposited into the the Mineral Revenue Stabilization
5 Trust Fund shall be permanently credited to the fund and shall be invested by the
6 treasurer in the same manner as investments of the Millennium Trust, as provided
7 in R.S. 39:98.2.

8 D. Appropriations from the Mineral Revenue Stabilization Trust Fund shall
9 only be made from the annual earnings from interest, dividends, and realized capital
10 gains on investment in the trust. Appropriations from the trust fund shall be made
11 for the following:

12 (1) Providing for new highway construction for which federal matching
13 funds are available, without excluding highway projects otherwise eligible as capital
14 projects under other provisions of the constitution.

15 (2) Providing funding for capital outlay projects in the comprehensive state
16 capital budget.

17 E. For purposes of this Section, mineral revenues shall include severance
18 taxes, royalty payments, bonus payments, or rentals, with the following exceptions:

19 (1) Revenues designated as nonrecurring pursuant to Article VII, Section
20 10(B) of this constitution.

21 (2) Revenues received by the state as a result of grants or donations when the
22 terms or conditions thereof require otherwise.

23 (3) Revenues derived from any tax on the transportation of minerals.

24 Section 2. This Act shall take effect and become operative if and when the proposed
25 amendment of Article VII of the Constitution of Louisiana contained in the Act which
26 originated as House Bill No. _____ of this 2016 Regular Session of the Legislature is
27 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)]

HB 829 Original

2016 Regular Session

Lance Harris

Abstract: Establishes the Mineral Revenue Stabilization Trust Fund and provides for the dedication of mineral revenues.

Proposed law establishes the Mineral Revenue Stabilization Trust Fund as a permanent trust in the state treasury. Provides for the annual deposit of mineral revenues after a deposit of \$200 million of mineral revenues into the state general fund. The deposit of mineral revenues into the fund shall exclude the following deposits 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 and Audit Settlement Fund.
- (12) The Budget Stabilization Fund.
- (13) An amount equal to the state general fund deposited into the Transportation Trust Fund and the Louisiana State Transportation Infrastructure Fund.

Proposed law provides that mineral revenues that otherwise would go to the state general fund because the Budget Stabilization has reached its cap shall be deposited into the Mineral Revenue Stabilization Trust Fund.

Proposed law provides for the investment of money in the Mineral Stabilization Trust Fund. Appropriations from the trust fund shall only be made from the annual earnings from interest, dividends, and capital gains on investment in the fund for the following:

- (1) New highway construction.
- (2) Capital outlay projects.

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. _____ of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 39:100.111)