

2025 Regular Session

ACT No. 385

HOUSE BILL NO. 579

BY REPRESENTATIVES EMERSON AND CHASSION AND SENATOR EDMONDS

1 AN ACT

2 To amend and reenact R.S. 17:3801(A) and (C) and 3802(A)(1), R.S. 39:98.1, 98.2(A) and
3 (E), 98.3(A) and (C)(introductory paragraph), and 100.161(B)(3), and R.S.
4 40:1669(J), to enact R.S. 17:407.30.2 and R.S. 39:98.2(F) and 100.161(E), and to
5 repeal Chapter 35 of Title 17 of the Louisiana Revised Statutes of 1950, comprised
6 of R.S. 17:3801 through 3805, and R.S. 39:98.3(C) and (E) and 100.116(A)(9),
7 relative to certain treasury funds; to provide for the transfer, deposit, and use, as
8 specified, of monies in certain treasury funds and accounts; to provide for the
9 investment of certain treasury funds and accounts; to repeal certain treasury funds
10 and accounts; to establish the Early Childhood Education Stability Fund; to provide
11 with respect to termination of certain funds; to provide with respect to the authority
12 of the Louisiana State Law Institute; to provide for effectiveness; and to provide for
13 related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 17:3801(A) and (C) and 3802(A)(1) are hereby amended and
16 reenacted and R.S. 17:407.30.2 is hereby enacted to read as follows:

17 §407.30.2. Early Childhood Education Stability Fund

18 A. There is hereby established in the state treasury as a special fund the Early
19 Childhood Education Stability Fund, hereafter referred to in this Section as the
20 "fund".

21 B. After satisfying the requirements of the Bond Security and Redemption
22 Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana,
23 monies shall be deposited into the fund as follows:

(1) Beginning July 1, 2026, and continuing each July first thereafter the
treasurer shall transfer an amount equal to eleven million dollars into the fund from
the state general fund.

(2) Monies designated for the fund and received by the state treasurer from donations, gifts, grants, or other revenue.

C. Monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund. Interest earned on the investment of monies in the fund shall be deposited into the fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

D. Monies in the fund shall be appropriated to the State Board of Elementary and Secondary Education, the Department of Education, or both for early childhood education programs and initiatives.

* * *

§3801. Louisiana Education Quality Trust Fund, hereinafter referred to in this Part
as the "Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund"

A.(1) There shall be established in the state treasury as a special permanent trust fund, the "Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund", henceforth referred to as the "Permanent Trust Fund". After allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of the constitution, and notwithstanding Article XIV, Section 10 of the constitution, the treasurer shall deposit in and credit to the Permanent Trust Fund all money which is received from the federal government under Section 1337(g) of Title 43 of the United States Code which is attributable to mineral production activity or leasing activity on the Outer Continental Shelf which has been held in escrow pending a settlement between the United States and the state of Louisiana, except the first one hundred million dollars so received; twenty-five percent of the recurring revenues received under Section 1337(g) of Title 43 of the United States Code which are attributable to mineral production activity or leasing activity on the Outer Continental Shelf; twenty-five percent of the interest income earned on investment of monies in the Permanent Trust Fund; and seventy-five percent of realized capital

1 ~~gains and twenty-five percent of dividend income earned on investment of the~~
2 ~~Permanent Trust Fund. No appropriation shall be made from the Permanent Trust~~
3 ~~Fund.~~

4 ~~(2) After six hundred million dollars has been credited to the Permanent~~
5 ~~Trust Fund from those monies received from the federal government under Section~~
6 ~~1337(g) of Title 43 of the United States Code which are attributable to mineral~~
7 ~~production activity or leasing activity on the Outer Continental Shelf which has been~~
8 ~~held in escrow pending a settlement between the United States and the state of~~
9 ~~Louisiana, the sum of fifty million dollars shall be credited from such monies to the~~
10 ~~Coastal Environment Protection Trust Fund, as established in R.S. 30:313; all such~~
11 ~~funds in excess of seven hundred fifty million dollars shall be credited to the~~
12 ~~Permanent Trust Fund.~~

13 ~~(3) After allocation of money to the Bond Security and Redemption Fund as~~
14 ~~provided in Article VII, Section 9(B) of the constitution, and notwithstanding Article~~
15 ~~XIV, Section 10 of the constitution, seventy-five percent of the recurring revenues~~
16 ~~received under Section 1337(g) of Title 43 of the United States Code which are~~
17 ~~attributable to mineral production activity or leasing activity, seventy-five percent~~
18 ~~of the interest income earned on investment of the Permanent Trust Fund, and~~
19 ~~twenty-five percent of realized capital gains and seventy-five percent of the dividend~~
20 ~~income earned on investment of the Permanent Trust Fund shall be deposited and~~
21 ~~credited to a~~ There is hereby created ~~which is hereby created~~ a special fund ~~in the~~
22 ~~state treasury, and~~ which shall be known as the Louisiana Quality Education Support
23 ~~Fund, hereinafter~~ hereafter ~~referred to in this Section~~ as the "Support Fund".
24 ~~Beginning July 1, 2001, and only as to and in the accounting of earnings after that~~
25 ~~date, the treasurer shall account for earnings from the Permanent Fund in a manner~~
26 ~~which allocates the earnings between the Permanent Fund and the Support Fund in~~
27 ~~the proportions as herein provided as such earnings are realized. Beginning July 1,~~
28 ~~2001, and only as to and in the accounting of earnings after that date, the treasurer~~
29 ~~shall account for earnings attributable to Support Fund balances due the boards of~~

~~education separately and allocate such earnings to the credit of each board respectively.~~

~~(4) All recurring revenues and interest earnings shall be credited to the respective funds as provided in Paragraphs (1) and (2) above until the balance in the Permanent Trust Fund equals two billion dollars. After the Permanent Trust Fund reaches a balance of two billion dollars, all interest earnings on the Permanent Trust Fund shall be credited to the Support Fund and all recurring revenues shall be credited to the State General Fund.~~

* * *

C.(1) The amounts in the Support Fund shall be available for appropriation to pay expenses incurred for outside investment managers for the investment and management of the ~~Permanent~~ Trust Fund and for other custody, investment, and disbursement costs directly attributable to the ~~Permanent~~ Trust Fund, and for educational purposes only as provided in these Sections.

~~(2) The State Board of Elementary and Secondary Education and the Board of Regents each shall annually submit to the legislature and the governor not less than sixty days prior to the beginning of each regular session of the legislature a proposed program and budget for the expenditure of the monies in the Support Fund. Proposals for such expenditures shall be designed to improve the quality of education. Except for monies appropriated to pay expenses incurred in investment and management of the Permanent Trust Fund, monies appropriated from the Support Fund by the legislature shall be disbursed to the Board of Regents and the State Board of Elementary and Secondary Education to be allocated by them as provided by law or the constitution to the programs as previously approved by the legislature.~~

(3) The treasurer shall disburse not more than fifty percent of the monies in the Support Fund as that money is appropriated by the legislature and allocated by the Board of Regents for any or all of the following higher educational purposes to enhance economic development:

(a) The carefully defined research efforts of public and private universities in Louisiana.

(b) The endowment of chairs for eminent scholars.

(c) The enhancement of the quality of academic, research, or agricultural departments or units within a community college, college, or university. These funds shall not be used for athletic purposes or programs.

(d) The recruitment of superior graduate students.

~~(4)~~ (3) The treasurer shall disburse not more than fifty percent of the monies in the Support Fund as that money is appropriated by the legislature and allocated by the State Board of Elementary and Secondary Education for any or all of the following elementary and secondary educational purposes:

(a) To provide compensation to city or parish school board professional instructional employees.

(b) To insure an adequate supply of superior textbooks, library books, equipment, and other instructional materials.

(c) To fund exemplary programs in elementary, secondary, or vocational-technical schools designed to improve elementary and secondary student academic achievement, or vocational-technical skill.

(d) To fund carefully defined research efforts, including pilot programs, designed to improve elementary and secondary student academic achievement.

(e) To fund summer school remediation programs and preschool programs.

(f) To fund the teaching of foreign languages in elementary and secondary schools.

(g) To fund an adequate supply of teachers by providing scholarships or stipends to prospective teachers in academic areas where there is a critical teacher shortage.

* * *

§3802. Appropriations; procedure; limitation; administration

A.(1) ~~Consistent with the provisions of the Constitution of Louisiana, the~~
The legislature shall appropriate the total amount of the funds in the Louisiana

1 Quality Education Support Fund, hereinafter referred to as the "support fund",
2 intended for higher educational purposes to the Board of Regents and the total
3 amount intended for elementary and secondary educational purposes to the State
4 Board of Elementary and Secondary Education itemized by program or other
5 recipient purpose. Such itemization shall occur in both the executive budget and in
6 the general appropriation bill and, except as otherwise provided by the constitution,
7 budget and appropriation functions shall be conducted as provided by law. Passage
8 of the general appropriation bill shall constitute legislative approval of the programs
9 or purposes to which money is appropriated.

10 * * *

11 Section 2. R.S. 39:98.1, 98.2(A) and (E), 98.3(A) and (C)(introductory paragraph),
12 and 100.161(B)(3) are hereby amended and reenacted and R.S. 39:98.2(F) and 100.161(E)
13 are hereby enacted to read as follows:

14 §98.1. Creation of Funds; Millennium Trust

15 A. There shall be established in the state treasury ~~as~~ a special permanent trust
16 fund known as the Millennium Trust. After allocation of money to the Bond
17 Security and Redemption Fund as provided in Article VII, Section 9(B) of the
18 Constitution of Louisiana, the treasurer shall deposit in and credit to the Millennium
19 Trust certain monies received as a result of the Master Settlement Agreement,
20 hereinafter the "Settlement Agreement", executed November 23, 1998, and approved
21 by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub,
22 Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.",
23 bearing Number 98-6473 on the docket of the Fourteenth Judicial District for the
24 parish of Calcasieu, state of Louisiana; and all dividend and interest income and all
25 realized capital gains on investment of monies in the Millennium Trust. The
26 treasurer shall deposit in and credit to the Millennium Trust ~~the following amounts~~
27 ~~of monies received as a result of the Settlement Agreement:~~

28 ~~(1) Fiscal Year 2000-2001, forty-five percent of the total monies received~~
29 ~~that year.~~

1 ~~(2) Fiscal Year 2001-2002, sixty percent of the total monies received that~~
2 ~~year.~~

3 ~~(3) Fiscal Year 2002-2003 and each fiscal year thereafter, seventy-five~~
4 ~~percent of the total monies received that year. each fiscal year as a result of the~~
5 ~~Settlement Agreement. However, beginning in Fiscal Year 2011-2012 after the~~
6 ~~balance in the Millennium Trust reaches a total of one billion three hundred eighty~~
7 ~~million dollars, the The monies deposited in and credited to the Millennium Trust,~~
8 ~~received by the state as a result of the Settlement Agreement, shall be allocated to~~
9 ~~the various funds within the Millennium Trust as provided in Subsections B, C, and~~
10 ~~D of this Section TOPS Fund.~~

11 ~~(4) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~
12 ~~2002-2003, ten percent of the total monies received in each of those years for credit~~
13 ~~to the Education Excellence Fund which, notwithstanding the provisions of R.S.~~
14 ~~39:98.3(A), shall be appropriated for the purposes provided in R.S. 39:98.3(C)(4).~~

15 B.(1) The Health Excellence Fund shall be established as a special fund
16 within the Millennium Trust. The treasurer shall credit to the Health Excellence Fund
17 ~~one-third of the Settlement Agreement proceeds deposited each year into the~~
18 ~~Millennium Trust and one-third one-half of all dividend and interest income and all~~
19 ~~realized capital gains on investment of monies in the Millennium Trust. The~~
20 ~~treasurer shall report annually to the legislature as to the amount of Millennium Trust~~
21 ~~investment earnings credited to the Health Excellence Fund.~~

22 ~~(2) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~
23 ~~treasurer shall credit to the Health Excellence Fund one-third of all dividend and~~
24 ~~interest income and all realized capital gains on investment of monies in the~~
25 ~~Millennium Trust.~~

26 ~~(3) Beginning July 1, 2012, after After allocation of money to the Bond~~
27 ~~Security and Redemption Fund as provided in Article VII, Section 9(B) of the~~
28 ~~Constitution of Louisiana, the treasurer shall deposit in and credit to the Health~~
29 ~~Excellence Fund the revenues derived from the tax imposed by R.S. 47:841(B)(3).~~

1 ~~C.(1) The Education Excellence Fund shall be established in the state~~
2 ~~treasury as a special fund within the Millennium Trust. The treasurer shall credit to~~
3 ~~the Education Excellence Fund one-third of the Settlement Agreement proceeds~~
4 ~~deposited into the Millennium Trust and one-third of all dividend and interest~~
5 ~~income and all realized capital gains on investment of monies in the Millennium~~
6 ~~Trust.~~

7 ~~(2) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~
8 ~~treasurer shall credit to the Education Excellence Fund one-third of all dividend and~~
9 ~~interest income and all realized capital gains on investment of monies in the~~
10 ~~Millennium Trust.~~

11 ~~D.(1) The TOPS Fund shall be established in the state treasury as a special~~
12 ~~fund within the Millennium Trust. The treasurer shall credit to the TOPS Fund one-~~
13 ~~third of the Settlement Agreement proceeds deposited into the Millennium Trust and~~
14 ~~one-third of all dividend and interest income and all realized capital gains on~~
15 ~~investment of monies in the Millennium Trust.~~

16 ~~(2) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~
17 ~~treasurer shall credit to the TOPS Fund one hundred percent of the Settlement~~
18 ~~Agreement proceeds deposited into the Millennium Trust and one-third~~ one-half ~~of~~
19 ~~all dividend and interest income and all realized capital gains on investment of~~
20 ~~monies in the Millennium Trust. The treasurer shall report annually to the legislature~~
21 ~~as to the amount of Millennium Trust settlement agreement proceeds investment~~
22 ~~earnings credited to the TOPS Fund.~~

23 ~~(3) Upon the effective date of this Section, the state treasurer shall deposit,~~
24 ~~transfer, or otherwise credit funds in an amount equal to such Settlement Agreement~~
25 ~~proceeds deposited in and credited to the Millennium Trust received by the state~~
26 ~~between April 1, 2011, and the effective date of this Section to the TOPS Fund.~~

27 D. Monies credited to the Millennium Trust pursuant to Subsection A of this
28 Section shall be invested by the treasurer. A portion of the monies, not to exceed
29 thirty-five percent, may be invested in stock. However, the portion of monies in the
30 Millennium Trust which may be invested in stock may be increased to no more than

fifty percent by a specific legislative instrument which receives a favorable vote of two-thirds of the elected members of each house of the legislature. The legislature shall provide for procedures for the investment of such monies as provided in R.S. 39:98.2. The treasurer may contract, subject to the approval of the State Bond Commission, for the management of such investments and, if a contract is entered into, amounts necessary to pay the costs of the contract shall be appropriated from the Millennium Trust.

§98.2. Investment of Millennium Trust

A. The treasurer is authorized and directed to invest monies in the Millennium Trust which are available for investment in ~~the investments permitted for the Louisiana Education Quality Trust Fund, also known as the Kevin P. Reilly Sr. Louisiana Education Quality Trust Fund, as set forth in R.S. 17:3803(B), (D), and (E).~~ any of the following:

(1) Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, as defined by R.S. 6:703(16) and (17), or share accounts and share certificate accounts of federally or state-chartered credit unions issuing time certificates of deposit, issued for the state treasurer under this authority. For those funds determined under prudent judgment of the state treasurer to be made available for investment in time certificates of deposit, the rate of interest paid by the banks shall be determined by rules and regulations adopted and promulgated by the state treasurer. Competitive bidding may be used to establish the rate of interest on fifty percent or less of the amount determined to be available as of that date for investment in time certificates of deposit. Those financial institutions bidding on time certificates of deposit shall meet the financial criteria established by rules and regulations adopted and promulgated by the state treasurer. At the time of investment, the interest rate under the provisions of this Subsection shall be a rate not less than the prevailing market interest rate on direct obligations of the United States Treasury with a similar length of maturity. The funds so invested shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation (FDIC)

1 in any one bank, savings bank, or savings and loan association and shall not exceed
2 at any time the amount insured by the National Credit Union Administration, or other
3 deposit insurance corporation, in any one credit union, unless the uninsured portion
4 is collateralized by the pledge of securities in the manner provided by R.S. 49:321.

5 (2) Direct obligations of the United States government, a United States
6 government agency, a United States government instrumentality, or a United States
7 government-sponsored enterprise, the timely payment of the principal and interest
8 of which is fully and explicitly guaranteed by the full faith and credit of the
9 government of the United States of America, and contained in a list promulgated by
10 the state treasurer.

11 (3) Direct obligations of a United States government agency, United States
12 government instrumentality, or United States government-sponsored enterprise, the
13 timely payment of principal and interest of which is fully guaranteed by the issuing
14 entity, but are not explicitly guaranteed by the full faith and credit of the government
15 of the United States, and contained in a list promulgated by the state treasurer.

16 (4) Stocks of any corporation listed on the New York Stock Exchange, the
17 American Stock Exchange, the National Association of Securities Dealers
18 Automated Quotations System, or other such stock exchange domiciled in the United
19 States and registered with the United States Securities and Exchange Commission,
20 provided that the total investment in such stocks at any one time shall not exceed the
21 percentage authorized for the Millennium Trust for investment in stocks.

22 (5)(a) Investment grade commercial paper issued in the United States, traded
23 in the United States markets, denominated in United States dollars, with a short-term
24 rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1 by
25 Moody's Investor Service, Inc. or the equivalent rating by a nationally recognized
26 statistical rating organization.

27 (b) Investment grade corporate notes and bonds issued in the United States,
28 traded in United States markets, denominated in United States dollars, rated BAA or
29 better by Moody's Investor Service, Inc., or BBB or better by Standard & Poor's
30 Financial Services LLC, and the trades of which are settled through The Depository

1 Trust & Clearing Corporation, a national clearinghouse in the United States for the
2 settlement of securities trades.

3 (6) Money market funds consisting solely of securities otherwise eligible for
4 investment by the treasurer pursuant to this Section.

5 (7) Open-end mutual funds, closed-end mutual funds, and unit investment
6 trusts consisting solely of securities otherwise eligible for investment by the state
7 treasurer.

8 (8)(a) Tax exempt bonds and other taxable governmental bonds. In addition
9 to all other investment authority related to the Millennium Trust, the state treasurer
10 may invest in tax exempt bonds as defined in R.S. 49:342(C) and in taxable bonds
11 issued by any state or a political subdivision or public corporation of any state,
12 provided that such taxable bonds are rated at the time the investment is made by a
13 nationally recognized rating agency in one of the three highest rating categories of
14 that rating agency.

15 (b) Bonds, debentures, notes, or other similar obligations issued in the
16 United States market, denominated in United States dollars and which are the direct
17 legal obligations of a foreign nation which the International Monetary Fund lists as
18 an industrial country, for which investments in and/or business transactions with are
19 not prohibited or restricted by any law, regulation, or rule of the United States or the
20 state of Louisiana, and for which the full faith and credit of such nation has been
21 pledged for the payment of principal and interest; provided that any such security
22 shall be rated at least A- or better by Standard & Poor's Corporation or A3 or better
23 by Moody's, Inc., or an equivalent investment grade by a securities ratings
24 organization accepted by the National Association of Insurance Commissioners; and,
25 provided further that the total investment in such foreign securities at any one time
26 shall not exceed five percent of the market value of all investments held by the
27 treasurer in the Millennium Trust, or any other fund or investment of funds subject
28 to this investment authority.

29 (9) Any investment managers hired on a contract basis to advise the treasurer
30 regarding such investments shall be selected by the treasurer, subject to the approval

1 of the State Bond Commission, in accordance with a request for proposal process
2 using strict selection criteria based on sound industry principles. The contract, as
3 approved by the State Bond Commission, shall be on a fee, together with minimum
4 exchange fee, basis or on a commission basis only. The state treasurer shall adopt
5 and promulgate rules and regulations for such investments and for the selection of
6 outside investment managers.

7 (10) Open-end mutual funds, closed-end mutual funds, exchange-traded
8 funds, and unit investment trusts consisting solely of international securities
9 constructed to match or track the components of a market index provided by globally
10 recognized index providers, including but not limited to MSCI, FTSE, Dow Jones,
11 Standard & Poor's, Barclays, Citigroup, or any of their affiliates or successors and
12 assigns; however, the total investment in any and all such index funds at any one
13 time shall not exceed ten percent of the market value of all funds held by the
14 treasurer in the Millennium Trust. Nothing in this Paragraph shall be construed to
15 allow the state treasurer to invest directly in the common stock of foreign companies
16 known to do business with nations that support terrorism.

17 * * *

18 E.(1) In addition to all other investment authority granted for the Millennium
19 Trust, and notwithstanding any provision of law to the contrary, the state treasurer
20 may enter into direct security repurchase agreements, reverse security repurchase
21 agreements, and securities lending contracts in order to generate passive income.

22 (2) For the purposes of this Subsection, the terms "direct security repurchase
23 agreement" and "reverse security repurchase agreement" shall have the same
24 meaning as in R.S. 49:327(B) and the term "securities lending" shall have the same
25 meaning as in R.S. 49:321.1.

26 F. On or before December first of each year, the treasurer shall prepare and
27 submit a report on the performance of the Millennium Trust to the Joint Legislative
28 Committee on the Budget and the commissioner of administration for their review.
29 ~~With respect to the Education Excellence Fund, the report shall also be provided to~~
30 ~~the state superintendent of education.~~

31 * * *

§98.3. Appropriations from the Health Excellence Fund, ~~the Education Excellence Fund,~~ and the TOPS Fund

A.(1) ~~Appropriations from the Education Excellence Fund shall be limited to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the Millennium Trust allocated as provided by R.S. 39:98.1(B) and (C) as recognized by the Revenue Estimating Conference. Amounts determined to be available for appropriation shall be those aggregate investment earnings which are in excess of an inflation factor as determined by the Revenue Estimating Conference. The amount of estimated aggregate investment earnings available for appropriation shall be determined by subtracting the product of the inflation factor multiplied by the amount of aggregate investment earnings for the previous fiscal year from the amount of such estimated aggregate investment earnings. The amount of realized capital gains on investment which may be included in the aggregate earnings available for appropriation from the Millennium Trust in any fiscal year shall not exceed the aggregate of earnings from interest and dividends for that year.~~

(2)(a) ~~For Fiscal Year 2011-2012 appropriations from the Health Excellence Fund shall be limited to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust and credited to the Health Excellence Fund as provided by R.S. 39:98.1(B)(2) and as recognized by the Revenue Estimating Conference.~~

(b) ~~For Fiscal Year 2012-2013, and~~ For each fiscal year thereafter, appropriations from the Health Excellence Fund shall be limited to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust and credited to the Health Excellence Fund as provided by ~~R.S. 39:98.1(B)(2)~~ R.S. 39:98.1(B)(1) and as recognized by the Revenue Estimating Conference and the amount of proceeds credited to and deposited into the Health Excellence Fund as provided by ~~R.S. 39:98.1(B)(3)~~ R.S. 39:98.1(B)(2).

~~(3)(a) For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall be limited to the amount of Settlement Agreement proceeds credited to and deposited into the TOPS Fund as provided by R.S. 39:98.1(D)(2) and (3), and an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust and credited to the TOPS Fund as provided by R.S. 39:98.1(D)(2) and as recognized by the Revenue Estimating Conference.~~

(b) ~~(2)(a)~~ For Fiscal Year 2012-2013, and each fiscal year thereafter, appropriations from the TOPS Fund shall be limited to the amount of annual Settlement Agreement proceeds credited to and deposited into the TOPS Fund as provided in ~~R.S. 39:98.1(D)(2)~~ R.S. 39:98.1(C), and an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust and credited to the TOPS Fund as provided in ~~R.S. 39:98.1(D)(2)~~ R.S. 39:98.1(C) and as recognized by the Revenue Estimating Conference.

~~(c) For Fiscal Year 2011-2012, and each fiscal year thereafter, (b) The~~ amounts determined to be available for appropriation from the TOPS Fund from interest earnings shall be those aggregate investment earnings which are in excess of an inflation factor as determined by the Revenue Estimating Conference. The amount of realized capital gains on investment which may be included in the aggregate earnings available for appropriation in any year shall not exceed the aggregate of earnings from interest and dividends for that year.

(4) (3) Actual earnings from interest, dividends, and capital gains during the fiscal year in excess of the amounts estimated as available for appropriation shall be credited to the appropriate fund and available for appropriation in subsequent years. Appropriations from the Health Excellence Fund, ~~the Education Excellence Fund,~~ and the TOPS Fund shall include performance expectations to ensure accountability in the expenditure of such monies.

* * *

1 C. The Education Excellence Fund shall be established in the state treasury
 2 as a special fund within the Millennium Trust. Appropriations from the Education
 3 Excellence Fund shall be restricted as follows:

4 * * *

5 §100.161. Louisiana Unclaimed Property Permanent Trust Fund

6 * * *

7 B.

8 * * *

9 (3) Subject to the limitations provided in this Subsection, the state treasurer
 10 may invest the monies deposited in and credited to the UCP Permanent Trust Fund
 11 ~~in the same manner as authorized for the Louisiana Education Quality Trust Fund as~~
 12 ~~set forth in R.S. 17:3803;~~ any of the following:

13 (i) Time certificates of deposit of any bank domiciled or having a branch
 14 office in the state of Louisiana, savings accounts or shares of savings and loan
 15 associations and savings banks, as defined by R.S. 6:703(16) and (17), or share
 16 accounts and share certificate accounts of federally or state-chartered credit unions
 17 issuing time certificates of deposit, issued for the state treasurer under this authority.
 18 For those funds determined under prudent judgment of the state treasurer to be made
 19 available for investment in time certificates of deposit, the rate of interest paid by the
 20 banks shall be determined by rules and regulations adopted and promulgated by the
 21 state treasurer. Competitive bidding may be used to establish the rate of interest on
 22 fifty percent or less of the amount determined to be available as of that date for
 23 investment in time certificates of deposit. Those financial institutions bidding on
 24 time certificates of deposit shall meet the financial criteria established by rules and
 25 regulations adopted and promulgated by the state treasurer. At the time of
 26 investment, the interest rate under the provisions of this Subsection shall be a rate not
 27 less than the prevailing market interest rate on direct obligations of the United States
 28 Treasury with a similar length of maturity. The funds so invested shall not exceed
 29 at any time the amount insured by the Federal Deposit Insurance Corporation (FDIC)
 30 in any one bank, savings bank, or savings and loan association and shall not exceed

1 at any time the amount insured by the National Credit Union Administration, or other
2 deposit insurance corporation, in any one credit union, unless the uninsured portion
3 is collateralized by the pledge of securities in the manner provided by R.S. 49:321.

4 (ii) Direct obligations of the United States government, a United States
5 government agency, a United States government instrumentality, or a United States
6 government-sponsored enterprise, the timely payment of the principal and interest
7 of which is fully and explicitly guaranteed by the full faith and credit of the
8 government of the United States of America, and contained in a list promulgated by
9 the state treasurer.

10 (iii) Direct obligations of a United States government agency, United States
11 government instrumentality, or United States government-sponsored enterprise, the
12 timely payment of principal and interest of which is fully guaranteed by the issuing
13 entity, but are not explicitly guaranteed by the full faith and credit of the government
14 of the United States, and contained in a list promulgated by the state treasurer.

15 (iv) Stocks of any corporation listed on the New York Stock Exchange, the
16 American Stock Exchange, the National Association of Securities Dealers
17 Automated Quotations System, or other such stock exchange domiciled in the United
18 States and registered with the United States Securities and Exchange Commission,
19 provided that the total investment in such stocks at any one time shall not exceed
20 thirty-five percent of the market value of all funds held by the treasurer in the UCP
21 Permanent Trust Fund.

22 (v)(aa) Investment grade commercial paper issued in the United States,
23 traded in the United States markets, denominated in United States dollars, with a
24 short-term rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1
25 by Moody's Investor Service, Inc., or the equivalent rating by a nationally recognized
26 statistical rating organization.

27 (bb) Investment grade corporate notes and bonds issued in the United States,
28 traded in United States markets, denominated in United States dollars, rated BAA or
29 better by Moody's Investor Service, Inc., or BBB or better by Standard & Poor's
30 Financial Services LLC, and the trades of which are settled through The Depository

1 Trust & Clearing Corporation, a national clearinghouse in the United States for the
2 settlement of securities trades.

3 (vi) Money market funds consisting solely of securities otherwise eligible
4 for investment by the treasurer pursuant to this Section.

5 (vii) Open-end mutual funds, closed-end mutual funds, and unit investment
6 trusts consisting solely of securities otherwise eligible for investment by the state
7 treasurer.

8 (viii) Tax exempt bonds and other taxable governmental bonds. In addition
9 to all other investment authority related to the UCP Permanent Trust Fund, the state
10 treasurer may invest in tax exempt bonds as defined in R.S. 49:342(C), and in
11 taxable bonds issued by any state or a political subdivision or public corporation of
12 any state, provided that such taxable bonds are rated at the time the investment is
13 made by a nationally recognized rating agency in one of the three highest rating
14 categories of that rating agency.

15 (ix) Bonds, debentures, notes, or other similar obligations issued in the
16 United States market, denominated in United States dollars and are the direct legal
17 obligations of a foreign nation which the International Monetary Fund lists as an
18 industrial country, for which investments in and/or business transactions with are not
19 prohibited or restricted by any law, regulation, or rule of the United States or the
20 state of Louisiana, and for which the full faith and credit of such nation has been
21 pledged for the payment of principal and interest; provided that any such security
22 shall be rated at least A- or better by Standard & Poor's Corporation or A3 or better
23 by Moody's, Inc., or an equivalent investment grade by a securities ratings
24 organization accepted by the National Association of Insurance Commissioners; and,
25 provided further that the total investment in such foreign securities at any one time
26 shall not exceed five percent of the market value of all investments held by the
27 treasurer in the UCP Permanent Trust Fund, or any other fund or investment of funds
28 subject to this investment authority.

29 (x) Any investment managers hired on a contract basis to advise the treasurer
30 regarding such investments shall be selected by the treasurer, subject to the approval

1 of the State Bond Commission, in accordance with a request for proposal process
2 using strict selection criteria based on sound industry principles. The contract, as
3 approved by the State Bond Commission, shall be on a fee, together with minimum
4 exchange fee, basis or on a commission basis only. The state treasurer shall adopt
5 and promulgate rules and regulations for such investments and for the selection of
6 outside investment managers.

7 (xi) Open-end mutual funds, closed-end mutual funds, exchange-traded
8 funds, and unit investment trusts consisting solely of international securities
9 constructed to match or track the components of a market index provided by globally
10 recognized index providers, including but not limited to MSCI, FTSE, Dow Jones,
11 Standard & Poor's, Barclays, Citigroup, or any of their affiliates or successors and
12 assigns; however, the total investment in any and all such index funds at any one
13 time shall not exceed ten percent of the market value of all funds held by the
14 treasurer in the UCP Permanent Trust Fund. Nothing in this Item shall be construed
15 to allow the state treasurer to invest directly in the common stock of foreign
16 companies known to do business with nations that support terrorism.

17 * * *

18 E.(1) In addition to all other investment authority granted for the UCP
19 Permanent Trust Fund, and notwithstanding any provision of law to the contrary, the
20 state treasurer may enter into direct security repurchase agreements, reverse security
21 repurchase agreements, and securities lending contracts in order to generate passive
22 income.

23 (2) For the purposes of this Subsection, the terms "direct security repurchase
24 agreement" and "reverse security repurchase agreement" shall have the same
25 meaning as in R.S. 49:327(B) and the term "securities lending" shall have the same
26 meaning as in R.S. 49:321.1.

27 Section 3. R.S. 40:1669(J) is hereby amended and reenacted to read as follows:

28 §1669. Law Enforcement Recruitment Incentive Program

29 * * *

1 J. The provisions of this Section shall terminate on July 1, ~~2025~~ 2027. Upon
2 termination of the program, the treasurer is hereby authorized and directed to transfer
3 any unexpended and unencumbered monies in the fund to the state general fund.

4 Section 4. R.S. 17:3801(B), (C)(4) and (F) and R.S. 39:98.3(E) are hereby repealed
5 in their entirety.

6 Section 5. Chapter 35 of Title 17 of the Louisiana Revised Statutes of 1950,
7 comprised of R.S. 17:3801 through 3805 and R.S. 39:98.3(C) and 100.116(A)(9) are hereby
8 repealed in their entirety.

9 Section 6.(A) Notwithstanding any provision of R.S. 46:2691(C)(2) and R.S.
10 56:797(C) and 798(B)(1), among other investments permitted by law, the state treasurer is
11 authorized to invest monies in the Medicaid Trust Fund for the Elderly, Rockefeller Wildlife
12 Refuge Trust and Protection Fund, and the Russell Sage or Marsh Island Refuge Fund in
13 investments permitted for the Millennium Trust. The Louisiana State Law Institute is
14 authorized and directed to change references in these provisions of law to reflect the
15 authorization in this Section.

16 (B) The Louisiana State Law Institute is further authorized and directed to change
17 the citations to R.S. 17:3803(B) contained in R.S. 49:321.1 to R.S. 39:98.2.

18 Section 7. The provisions of Section 5 of this Act shall take effect and become
19 operative on July 1, 2026, if and when the proposed amendment of Article VII of the
20 Constitution of Louisiana contained in the Act which originated as House Bill No. 473 of
21 this 2025 Regular Session of the Legislature is adopted at a statewide election and becomes
22 effective.

23 Section 8. The provisions of Sections 1, 2, 4, and 6 of this Act shall take effect and
24 become operative if and when the proposed amendment of Article VII of the Constitution
25 of Louisiana contained in the Act which originated as House Bill No. 473 of this 2025
26 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

27 Section 9. This Section and Sections 3, 7, and 8 of this Act shall become effective
28 upon signature by the governor or, if not signed by the governor, upon expiration of the time
29 for bills to become law without signature by the governor, as provided by Article III, Section

1 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
2 by the legislature, the provisions of this Section and Sections 3, 7, and 8 shall become
3 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____