

First Extraordinary Session, 2005

SENATE BILL NO. 27

BY SENATOR DUPRE

FUNDS/FUNDING. Constitutional amendment to change name of Wetlands Conservation and Restoration Fund to Coastal Protection and Restoration Fund, and provide that certain federal revenues received by the state generated from Outer Continental Shelf oil and gas activity shall be credited to the fund and used only for certain purposes.

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10.2 and 10.5(B) and (C) of the Constitution of
3 Louisiana, relative to the Wetlands Conservation and Restoration Fund; to change
4 the name of the fund to the Coastal Protection and Restoration Fund; to provide
5 relative to deposits and uses of the fund; to provide relative to certain federal
6 revenues received by the state generated from Outer Continental Shelf oil and gas
7 activity; to provide for the depositing and crediting of such monies into the fund, and
8 for the uses of such federal revenues; and to specify an election for submission of the
9 proposition to electors and provide a ballot proposition.

10 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
11 elected to each house concurring, that there shall be submitted to the electors of the state, for
12 their approval or rejection in the manner provided by law, a proposal to amend Article VII,
13 Section 10.2 and 10.5(B) and (C) of the Constitution of Louisiana, to read as follows:

14 §10.2. ~~Wetlands Conservation and Restoration~~ **Coastal Protection and**
15 **Restoration** Fund

16 Section 10.2(A) Effective July 1, 1990, there shall be established in the state
17 treasury the ~~Wetlands Conservation and Restoration~~ **Coastal Protection and**

1 **Restoration** Fund to provide a dedicated, recurring source of revenues for the
2 development and implementation of a program to ~~conserve and restore Louisiana's~~
3 ~~vegetated wetlands.~~ **protect and restore Louisiana's coastal area.**

4 Of revenues received in each fiscal year by the state as a result of the
5 production of or exploration for minerals, hereinafter referred to as mineral revenues
6 from severance taxes, royalty payments, bonus payments, or rentals, and excluding
7 such revenues received by the state as a result of grants or donations when the terms
8 or conditions thereof require otherwise, the treasurer shall make the following
9 allocations:

10 (1) To the Bond Security and Redemption Fund as provided in Article VII,
11 Section 9(B) of this constitution.

12 (2) To the political subdivisions of the state as provided in Article VII,
13 Sections 4(D) and (E) of this constitution.

14 (3) As provided by the requirements of Article VII, Sections 10-A and 10.1
15 of this constitution.

16 (B)(1) After making the allocations provided for in Paragraph (A), the
17 treasurer shall then deposit in and credit to the ~~Wetlands Conservation and~~
18 ~~Restoration~~ **Coastal Protection and Restoration** Fund any amount of mineral
19 revenues that may be necessary to insure that a total of five million dollars is
20 deposited into such fund for the fiscal year from this source; provided that the
21 balance of the fund which consists of mineral revenues from severance taxes, royalty
22 payments, bonus payments, or rentals shall not exceed an amount provided by law,
23 but in no event shall the amount provided by law be less than five hundred million
24 dollars.

25 (2) After making the allocations and deposits provided for in Paragraphs (A)
26 and (B)(1) of this Section, the treasurer shall deposit in and credit to the ~~Wetlands~~
27 ~~Conservation and Restoration~~ **Coastal Protection and Restoration** Fund as follows:

28 (a) Ten million dollars of the mineral revenues in excess of six hundred
29 million dollars which remain after the allocations provided for in Paragraph (A) are

1 made by the treasurer.

2 (b) Ten million dollars of the mineral revenues in excess of six hundred fifty
3 million dollars which remain after the allocations provided in Paragraph (A) are
4 made by the treasurer.

5 However, the balance of the fund which consists of mineral revenues from
6 severance taxes, royalty payments, bonus payments, or rentals shall not exceed an
7 amount provided by law, but in no event shall the amount provided by law be less
8 than five hundred million dollars.

9 (C) The money in the fund shall be invested as provided by law and any
10 earnings realized on investment of money in the fund shall be deposited in and
11 credited to the fund. Money from other sources, such as donations, appropriations,
12 or dedications, may be deposited in and credited to the fund; however, the balance
13 of the fund which consists of mineral revenues from severance taxes, royalty
14 payments, bonus payments, or rentals shall not exceed an amount provided by law,
15 but in no event shall the amount provided by law be less than five hundred million
16 dollars. Any unexpended money remaining in the fund at the end of the fiscal year
17 shall be retained in the fund.

18 (D) The money in the fund may be appropriated for purposes consistent with
19 the ~~Wetlands Conservation and Restoration Plan developed by the Wetlands~~
20 ~~Conservation and Restoration Authority~~ **Coastal Protection Plan developed by the**
21 **Coastal Protection and Restoration Authority**, or its successor.

22 No appropriation shall be made from the fund inconsistent with the purposes
23 of the plan.

24 **(E)(1) Subject to Article VII, Sections 9(B) and 10.1 of this constitution,**
25 **in each fiscal year, the federal revenues that are received by the state generated**
26 **from Outer Continental Shelf oil and gas activity and eligible, as provided by**
27 **federal law, to be used for the purposes of this Paragraph shall be deposited and**
28 **credited by the treasurer to the Coastal Protection and Restoration Fund.**

29 **(2) Federal revenues credited to the Coastal Protection and Restoration**

1 Fund pursuant to this Paragraph shall be used only for the purposes of coastal
2 protection, including conservation, coastal restoration, hurricane protection,
3 and infrastructure directly impacted by coastal wetland losses.

4 (3) The fund balance limitations provided for in Paragraph (B) of this
5 Section relative to the mineral revenues deposited to this fund shall not apply
6 to revenues deposited pursuant to the provisions of this Paragraph.

7 F. References in this constitution or in law to the Wetlands Conservation
8 and Restoration Fund shall mean the Coastal Protection and Restoration Fund.

9 * * *

10 §10.5. Mineral Revenue Audit and Settlement Fund

11 * * *

12 (B) After making the allocations provided for in Paragraph (A), the treasurer
13 shall then deposit in and credit to the Mineral Revenue Audit and Settlement Fund
14 any such remaining revenues. Any revenues deposited in and credited to the fund
15 shall be considered mineral revenues from severance taxes, royalty payments, bonus
16 payments, or rentals for purposes of determining deposits and credits to be made in
17 and to the ~~Wetlands Conservation and Restoration Fund~~ **Coastal Protection and**
18 **Restoration Fund** as provided in Article VII, Section 10.2 of this constitution. Any
19 revenues deposited in and credited to the fund shall not be considered mineral
20 revenues for purposes of the Budget Stabilization Fund as provided in Article VII,
21 Section 10.3 of this constitution. Money in the fund shall be invested as provided by
22 law. The earnings realized in each fiscal year on the investment of monies in the
23 Mineral Revenue Audit and Settlement Fund shall be deposited in and credited to the
24 Mineral Revenue Audit and Settlement Fund.

25 (C) After making the allocations provided for in Paragraph (A), the treasurer
26 shall credit thirty-five million dollars to the ~~Wetlands Conservation and Restoration~~
27 ~~Fund~~ **Coastal Protection and Restoration Fund**, and thereafter any monies credited
28 to the fund in any fiscal year may be annually appropriated by the legislature only
29 for the purposes of retirement in advance of maturity through redemption, purchase,

1 or repayment of debt of the state, pursuant to a plan proposed by the State Bond
2 Commission to maximize the savings to the state; for payments against the unfunded
3 accrued liability of the public retirement systems which are in addition to any
4 payments required for the annual amortization of the unfunded accrued liability of
5 the public retirement systems, required by Article X, Section 29 of this constitution;
6 however, any such payment to the public retirement systems shall not be used,
7 directly or indirectly, to fund cost-of-living increases for such systems; and for
8 deposit in the ~~Wetlands Conservation and Restoration Fund~~ **Coastal Protection and**
9 **Restoration Fund**.

10 Section 2. Be it further resolved that Act No. 513 of the 2005 Regular Session is
11 hereby repealed, the amendment to the constitution proposed in such Act is hereby
12 withdrawn, and the secretary of state is hereby ordered not to include the proposition
13 contained in that Act on the ballot for the next statewide election.

14 Section 3. Be it further resolved that this proposed amendment shall be submitted
15 to the electors of the state of Louisiana at the next statewide election.

16 Section 4. Be it further resolved that on the official ballot to be used at said election
17 there shall be printed a proposition, upon which the electors of the state shall be permitted
18 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
19 read as follows:

20 To change the name from the Wetlands Conservation and Restoration Fund
21 to the Coastal Protection and Restoration Fund; to provide relative to
22 deposits and uses of the fund and that in each fiscal year after making other
23 deposits required by the constitution, the eligible federal revenues received
24 by the state generated from Outer Continental Shelf oil and gas activity shall
25 be credited by the treasurer to the Coastal Protection and Restoration Fund
26 and used only for purposes of coastal wetlands conservation, coastal
27 restoration, hurricane protection, and infrastructure directly impacted by
28 coastal wetland losses. (Amends Article VII, Section 10.2)

The original instrument was prepared by Jerry G. Jones. The following digest, which does not constitute a part of the legislative instrument, was prepared by J. W. Wiley.

DIGEST

Dupre (SB 27)

Proposed constitutional amendment changes name of the Wetlands Conservation and Restoration Fund to the Coastal Protection and Restoration Fund.

Proposed constitutional amendment relative to coastal protection and restoration provides that, subject to "8g" and Bond Security and Redemption Fund requirements, federal revenues received by the state generated from Outer Continental Shelf oil and gas activity and eligible, as provided by federal law, to be used for the purposes of the proposed law shall be deposited and credited by the treasurer to the Coastal Protection and Restoration Fund.

Proposed constitutional amendment further provides that such federal revenues credited to the fund shall be used only for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetland losses.

Proposed constitutional amendment further provides that the fund balance limitations provided in Art. VII, §10.2(B) of the Louisiana Constitution that require the balance amount not exceed an amount provided by law, and be not less than \$500 million, this limitation does not apply to Outer Continental Shelf oil and gas revenues deposited to the Coastal Protection and Restoration Fund.

Specifies submission of amendment to the voters at the next statewide election.

Further specifies that Act No. 513 of the 2005 Regular Session (previously proposed constitutional amendment) is repealed, the amendment to the constitution proposed in such Act is withdrawn, and the secretary of state is ordered not to include the proposition contained in that Act on the ballot for the next statewide election.

(Amends Art. VII, Sec. 10.2 and 10.5(B) and (C))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Natural Resources to the original bill.

1. Provides that the fund balance limitations required in Art VII, §10.2(B) of the Louisiana Constitution shall not apply to federal Outer Continental Shelf oil and gas revenues received by the state.
2. Provides that references in the constitution or law to the Wetlands Conservation and Restoration Fund shall mean the Coastal Protection and Restoration Fund.
3. Adds technical change in Art. VII, §10.5(B) and (C) to change the name of the fund.