

RÉSUMÉ DIGEST

ACT 465 (SB 259)

2015 Regular Session

Adley

Present constitution and prior law establish the Budget Stabilization Fund and requires the deposit of mineral revenues in excess of \$750 million (base amount) derived from the production of or exploration for minerals (mineral revenue), including severance taxes, royalty payments, bonus payments, or rentals, and excluding revenues designated as nonrecurring pursuant to Article VII, Section 10(B) of the constitution, revenues received by the state as a result of grants or donations when the terms or conditions of the grant require otherwise, and revenues derived from any tax on the transportation of minerals, such deposit to be made after the following allocations of said mineral revenues have been made:

- (1) To the Bond Security and Redemption Fund as provided by Article VII, Section 9 (B) of present constitution.
- (2) To the political subdivisions of the state as provided in Article VII, Sections 4 (D) and (E) of present constitution.
- (3) As provided by the requirements of Article VII, Section 10-A and 10.1 of present constitution.

Present constitution and prior law authorize an increase in the base amount for deposits into the Budget Stabilization Fund every 10 years beginning in 2000 by a law enacted by two-thirds of the elected members of each house of the legislature. Prior law provided that the base amount is \$850 million. Proposed constitutional amendment and law retains present constitution and law except changes the time period for the base to be increased from 10 years to five years.

Present constitution and prior law provide that monies in the Budget Stabilization Fund are available exclusively for use in the case of an existing or projected budget deficit.

Proposed constitution and prior law change the name of the Budget Stabilization Fund to the Budget and Transportation Stabilization Trust and provides for the purposes and uses of monies in the fund.

Proposed constitutional amendment and new law creates the Budget Stabilization Subfund and the Transportation Stabilization Subfund in the Budget and Transportation Stabilization Trust and provides that at the beginning of each fiscal year, mineral revenues shall be allocated and deposited into the subfunds as follows:

- (1) Beginning in Fiscal Year 2015-2016, mineral revenues in excess of the base shall be deposited in the Budget Stabilization Subfund until the balance in the fund equals and shall be maintained in the amount of \$500 million.
- (2) Once the balance in the Budget Stabilization Subfund equals \$500 million, mineral revenues shall be deposited into the Transportation Stabilization Subfund at the beginning of the next fiscal year until the balance in the Transportation Stabilization Subfund equals and shall be maintained in the amount of \$500 million. Thereafter, any excess mineral revenues shall be deposited into the state general fund. The legislature may appropriate additional monies into either the Budget Stabilization Subfund or the Transportation Stabilization Subfund.

Proposed constitutional amendment and new law provides that monies in the Transportation Stabilization Subfund shall be appropriated by the legislature and used solely and exclusively for planning, design, construction, and maintenance connected with the state highway program, provided that at least 20% of monies appropriated from the Transportation Stabilization Subfund be used for the Louisiana Intermodal Connector Program within DOTD.

- (3) No deposit of mineral revenues shall be made in any fiscal year in which money in the fund is appropriated for use or incorporated into the official forecast or in the ensuing fiscal year, except by specific appropriation by the legislature.

Effective and becomes operative if and when the proposed amendment of Article VII, Sections 10.3 and 27 of the Constitution of Louisiana contained in the Act which originated as SB 202 of this 2015 RS is adopted at a statewide election to be held on October 24, 2015, and becomes effective.

(Amends R.S. 39:94(A)(intro para), (A)(2)(a)(intro para) and (b), and 97(B); adds R.S. 39:94(A)(2)(c))