

ACT No. 679

2016 Regular Session

HOUSE BILL NO. 603

BY REPRESENTATIVES LEGER, BAGNERIS, BOUIE, CHAD BROWN, HALL,
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A JOINT RESOLUTION

Proposing to add Article VII, Section 10(F)(4)(h), 10.15, and 10.16 of the Constitution of Louisiana, relative to dedications of revenues; to provide for the dedication of certain revenues; to create the Revenue Stabilization Trust Fund; to provide for deposits into the funds; to provide for investments of the fund; to provide for uses of the fund; to provide for an exception to budget deficit procedures; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 10(F)(4)(h), 10.15, and 10.16 of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

* * *

1 (F) Projected Deficit.

2 * * *

3 (4) The provisions of Subparagraphs (1) and (2) of this Paragraph shall not
4 be applicable to, nor affect:

5 * * *

6 (h) The Revenue Stabilization Trust Fund, as provided in Article VII,
7 Section 10.15 of this constitution.

8 * * *

9 §10.15. Revenue Stabilization Trust Fund

10 Section 10.15. Revenue Stabilization Trust Fund. (A) The Revenue
11 Stabilization Trust Fund is hereby established in the state treasury as a special trust
12 fund, hereinafter referred to as the "fund".

13 (B) After allocation of money to the Bond Redemption and Security Fund
14 as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the
15 treasurer shall deposit in and credit to the fund the revenues as provided for in
16 Paragraphs (C) and (D) of this Section.

17 (C) The treasurer shall deposit into the fund the amount of mineral revenues
18 as provided in Section 10.16 of this constitution.

19 (D) The treasurer shall deposit into the fund the amount of revenues in
20 excess of six hundred million dollars received each fiscal year from corporate
21 franchise and income taxes as recognized by the Revenue Estimating Conference.

22 (E)(1) Except as provided for in Paragraph (F) of this Section, monies
23 deposited into the Revenue Stabilization Trust Fund shall be permanently credited
24 to the trust fund and shall be invested by the treasurer in a manner provided for by
25 law.

26 (2) The treasurer shall deposit all interest or other income from investment
27 generated from the fund into the state general fund.

28 (F)(1) Except as provided in Subparagraphs (2) and (3) of this Paragraph,
29 no appropriations shall be made from the Revenue Stabilization Trust Fund.

1 (2)(a) In any fiscal year in which the balance of the fund at the beginning of
 2 the year is in excess of five billion dollars, hereinafter referred to as the minimum
 3 fund balance, the legislature may appropriate an amount not to exceed ten percent
 4 of the fund balance, hereinafter referred to as the allowable percentage, for the
 5 following:

6 (i) Capital outlay projects in the comprehensive state capital budget.

7 (ii) Transportation infrastructure.

8 (b) The minimum fund balance or the allowable percentage may be changed
 9 by a law enacted by two-thirds of the elected members of each house of the
 10 legislature.

11 (3) In order to ensure the money in the fund is available for appropriation in
 12 an emergency, the legislature may authorize an appropriation from the fund at any
 13 time for any purpose only after the consent of two-thirds of the elected members of
 14 each house of the legislature. If the legislature is not in session, the two-thirds
 15 requirement may be satisfied upon obtaining the written consent of two-thirds of the
 16 elected members of each house of the legislature in a manner provided by law.

17 §10.16. Dedications of Mineral Revenues

18 Section 10.16.(A) All mineral revenues as defined in Paragraph (D) of this
 19 Section received in each fiscal year by the state as a result of the production of or
 20 exploration for minerals, hereinafter referred to as "mineral revenues", shall be
 21 allocated as provided in this Section after the following allocations and deposits of
 22 mineral revenues have been made:

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

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

27 (3) To the Louisiana Wildlife and Fisheries Conservation Fund as provided
 28 by the requirements of Article VII, Section 10-A of this constitution and as provided
 29 by law.

1 (4) To the Louisiana Wildlife and Fisheries Conservation Fund and the Oil
 2 and Gas Regulatory Fund as provided by law.

3 (5) To the Rockefeller Wildlife Refuge and Game Preserve Fund as provided
 4 by law.

5 (6) To the Marsh Island Operating Fund and the Russell Sage or Marsh
 6 Island Refuge Fund as provided by law.

7 (7) To the MC Davis Conservation Fund as provided by law.

8 (8) To the White Lake Property Fund as provided by law.

9 (9) To the Louisiana Education Quality Trust Fund and Louisiana Quality
 10 Education Support Fund as provided in Article VII, Section 10.1 of this constitution.

11 (10) To the Coastal Protection and Restoration Fund as provided in Article
 12 VII, Section 10.2 of this constitution and as provided by law.

13 (11) To the Mineral Revenue and Audit Settlement Fund as provided in
 14 Article VII, Section 10.5 of this constitution and as provided by law.

15 (12) To the Budget Stabilization Fund as provided in Article VII, Section
 16 10.3 of this constitution and as provided by law.

17 (13) An amount equal to the state general fund deposited into the
 18 Transportation Trust Fund and the Louisiana State Transportation Infrastructure
 19 Fund as provided by law.

20 (B) Allocation of Mineral Revenues. After the allocations and deposits
 21 provided in Paragraph (A) of this Section, the mineral revenues received in each year
 22 in excess of six hundred sixty million dollars and less than nine hundred fifty million
 23 dollars shall be allocated as follows:

24 (1) Thirty percent shall be appropriated to the Louisiana State Employees'
 25 Retirement System and the Teachers' Retirement System of Louisiana for application
 26 to the balance of the unfunded accrued liability of such systems existing as of June
 27 30, 1988, in proportion to the balance of such unfunded accrued liability of each such
 28 system, until such unfunded accrued liability has been eliminated. Any such
 29 payments to the public retirement systems shall not be used, directly or indirectly,
 30 to fund cost-of-living increases for such systems.

1 (2) The remainder shall be deposited into the Revenue Stabilization Trust
2 Fund.

3 (C) Mineral revenues in excess of the base which would otherwise be
4 deposited into the Budget Stabilization Fund under Subparagraph (A)(2) of Section
5 10.3 of this constitution, but are prohibited from being deposited into the fund under
6 Subparagraph (C)(4) of Section 10.3 of this constitution, shall be distributed as
7 follows:

8 (1) Thirty percent shall be appropriated to the Louisiana State Employees'
9 Retirement System and the Teachers' Retirement System of Louisiana for application
10 to the balance of the unfunded accrued liability of such systems existing as of June
11 30, 1988, in proportion to the balance of such unfunded accrued liability of each such
12 system, until such unfunded accrued liability has been eliminated. Any such
13 payments to the public retirement systems shall not be used, directly or indirectly,
14 to fund cost-of-living increases for such systems.

15 (2) The remainder shall be deposited into the Revenue Stabilization Trust
16 Fund.

17 (D) 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. Be it further resolved that this proposed amendment shall be submitted
25 to the electors of the state of Louisiana at the statewide election to be held on November 8,
26 2016.

27 Section 3. Be it further resolved that on the official ballot to be used at the election,
28 there shall be printed a proposition, upon which the electors of the state shall be permitted
29 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
30 follows:

1 Do you support an amendment to establish the Revenue
2 Stabilization Trust Fund for the deposit of recurring mineral
3 and corporate tax revenues, to restrict the use of the fund to
4 10% of the balance when the balance reaches \$5 billion, to
5 restrict the use of the fund to construction projects and
6 transportation infrastructure, and to allocate recurring mineral
7 revenues to the payment of state employee retirement debt?
8 (Adds Article VII, Section 10(F)(4)(h), 10.15, and 10.16)

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE