RÉSUMÉ DIGEST

ACT 636 (HB 313) **2026 Regular Session** **McFarland**

New law provides for the transfer, deposit, and use of monies among state funds.

Transfers of state money

New law transfers 25% of the FY 2024-2025 surplus ($144,268,468) to the Budget Stabilization Fund.

New law transfers the following amounts from the state general fund in Fiscal Year 2025-2026:

(1) $12,760,000 to the Voting Technology Fund.

(2) $5,000,000 to the Oil and Gas Regulatory Dedicated Fund Account.

(3) $1,000,000 to the Carbon Dioxide Geologic Storage Trust Fund.

(4) $892,093 to the Criminal Justice Priority Fund.

(5) $2,400,000 to the Federal Energy Settlement Fund.

New law transfers the following amounts from the state general fund in Fiscal Year 2026-2027:

(1) $1,000,000 to the Reading Enrichment and Academic Deliverables Fund.

(2) $900,000 to the Imagination Library of Louisiana Fund.

(3) $500,000 to the Conservation Incentive Program Account.

La. Early Childhood Education Fund

Existing law (R.S. 39:82) provides for remission of certain cash balances to the state treasurer at the end of a given fiscal year.

For Fiscal Year 2025-2026, new law requires the treasurer to deposit the cash balances of state funds appropriated to the Dept.of Education remaining at the end of the fiscal year into the La. Early Childhood Education Fund. Further provides exceptions for balances that would otherwise be retained in the respective fund and monies for which a bona fide liability exists at the end of the fiscal year.

Revenue Stabilization Trust Fund

Existing constitution (Art. VII, Sec. 10.15) establishes the Revenue Stabilization Trust Fund and provides for the deposit, use, and investment of monies in the fund. Authorizes appropriation from the fund of up to 10% of the fund balance for specific purposes when the balance at the beginning of the fiscal year exceeds $5B. Existing constitution authorizes the legislature to change the minimum fund balance and the allowable percentage in certain circumstances. For Fiscal Year 2026-2027, new law lowers the minimum fund balance from $2.2B to $1.5B and increases the allowable percentage from 10% to 36%.

Existing constitution authorizes the legislature to appropriate from the fund at any time for any purpose if certain conditions are met. New law (Act Section No. 11) authorizes appropriation from the Revenue Stabilization Trust Fund for the purpose of addressing emergency conditions across the state in Fiscal Year 2026-2027.

Local Revenue Fund

Existing law (R.S. 39:100.118) establishes the Local Revenue Fund and provides for the deposit, use, and investment of monies in the fund.

Existing law restricts use of monies in the fund to distribution to ad valorem tax recipient bodies for offsetting losses attributable to business inventory exemptions to the ad valorem tax granted by a parish. New law further directs the state treasurer to transfer $5M each year from the fund to the Local Infrastructure Fund to be used to reimburse political subdivisions for costs to repair infrastructure damaged by installation of broadband.

Local Infrastructure Fund

Existing law (R.S. 39:100.256) establishes the Local Infrastructure Fund and provides for the deposit, use, and investment of monies in the fund.

Prior law required monies in the fund to be appropriated to the division of administration, office of community development for administration of reimbursements from the fund. New law requires monies to be appropriated to the office of public health within the La. Dept. of Health.

Prior law required the office of community development to develop guidelines for administration of monies in the fund and requires submission to the Water Sector Commission for approval prior to implementation. New law requires the office of public health to develop guidelines and submit them to the Joint Legislative Committee on the Budget prior to implementation.

Hurricane Ida Recovery Fund

Existing law (R.S. 39:100.171) establishes the Hurricane Ida Recovery Fund and provides for deposit, use, and investment of monies in the fund. New law requires all monies received by a recipient entity pursuant to existing law to be expended no later than June 30, 2027. Further requires remission to the state treasury no later than Aug. 1, 2027, of any monies not spent by the deadline.

Miscellaneous funds

Existing law establishes the following funds and provides for the deposit, use, and investment of monies in each:

(1) La. Transportation Infrastructure Fund.

(2) Higher Education Campus Revitalization Fund.

(3) La. Economic Development Initiatives Fund.

New law provides for utilization of monies in the respective funds in Fiscal Year 2026-2027.

New law establishes the Criminal Justice Technology Innovation Fund as a special fund within the state treasury. Provides for the deposit and investment of monies in the fund and requires monies in the fund be used for the offices of district attorneys to leverage technology to collaborate with other entities and facilitate interagency communication regarding care and protection of youth. Exempts use of these monies from certain procurement requirements.

New law establishes the Strategic Investments Across Louisiana Fund as a special fund within the state treasury and provides for the deposit and investment of monies in the fund.

New law repeals the 2021 Market Adjustments Reduction Fund (R.S. 39:100.49) and the 2021 Budget Reconciliation Fund (R.S. 39:100.50).

Self-Insurance Fund

Existing law (R.S. 39:1533) establishes the Self-Insurance Fund in the state treasury consisting of all premiums paid by state agencies under the state's risk management program and the investment income earned from such premiums and commissions. Provides for authorized uses of monies in the fund, including the payment of law enforcement officers and firemen's survivor and disability benefits. Requires that survivor and disability benefit payments for law enforcement officers and firemen be made from a specific appropriation received by the fund for that purpose.

New law adds the payment of extraordinary medical and dental expenses for firemen and law enforcement officers to the list of eligible expenditures from the fund. Further limits payments for these survivor and disability benefits and extraordinary medical and dental expenses to aggregate payments totaling $5M annually.

Regional Maintenance and Improvement Fund

Existing law (R.S. 48:197) establishes the Regional Maintenance and Improvement Fund and provides for deposit, use, and investment of monies in the fund.

New law adds certain infrastructure sites and projects as eligible uses of monies in the fund.

Dept. of Justice Legal Support Fund

Existing law (R.S. 49:259) establishes the Dept. of Justice Legal Support Fund in the state treasury and provides for the deposit, use, and investment of monies in the fund.

Prior law established a maximum fund balance of $15M annually. New law increases this maximum to $20M.

Existing law requires specific deposits into the fund each year. Prior law required an annual deposit of an amount sufficient to bring the unencumbered balance of the fund to $15M. New law increases this to $20M.

Major Events Incentive Fund

Existing law (R.S. 51:1260) establishes the Major Events Incentive Fund as a source of funding for the Major Events Incentive Program and provides for administration by La. Economic Development.

Prior law required JLCB approval of all program contracts entered into for qualified to major events. New law exempts program contracts from JLCB approval if the event has received a specific appropriation of funds by the legislature.

Site Investment and Infrastructure Improvement Fund

Existing law (R.S. 51:2316) establishes the Site Investment and Infrastructure Improvement Fund and provides for the deposit, use, and investment of monies in the fund.

Prior law required investment by the treasurer in the same manner as monies in the state general fund and provided that unencumbered and unexpended monies in the fund at the end of the fiscal year remained in the fund. New law directs the treasurer to invest the monies in the fund in a separate portfolio and requires the investment income earned on monies in the fund, net of investment expenditures, to be credited to La. Economic Development. Removes the requirement that unexpended and unencumbered monies in the fund remain in the fund. Further provides that $5.9M of monies deposited into the fund in Fiscal Year 2026-2027 shall serve as the repayment on behalf of the Vinton Harbor and Terminal District.

Overcollections Fund

New law directs the state treasurer to transfer monies from the state general fund to the Overcollections Fund in an amount equal to the amount of State General Fund (Direct) for each line item appropriation in Act Nos. 3 and 961 of the 2026 R.S. that has a State General Fund (Direct) appropriation that is vetoed by the governor and not overridden by the legislature.

New law further directs the state treasurer to transfer monies from the state general fund to the Overcollections fund in an amount equal to the amount the governor reduces from Act No. 3 of the 2026 R.S. pursuant to his authority under La. Const. Art. VIII, Sec. 13(B) that is consented to in writing by two-thirds of the elected members of each house of the legislature.

Effective dates

All provisions except the Fiscal Year 2026-2027 transfers and the Self-Insurance Fund and Dept. of Justice Legal Support Fund provisions are effective upon signature of the governor (June 2, 2026). These specific provisions are effective July 1, 2026.

(Amends R.S. 17:407.30(B), R.S. 39:100.118(B), 100.256(D) and (E), 1533(A), R.S. 48:197(B)(3), R.S. 49:259(B)(1) and (C)(3), and R.S. 51:2316(B)(2); Adds R.S. 39:82(L), 100.112(F)(2)(e), 100.171(D), 100.252(F), 100.253(D)(4), 100.255(D)(6), 100.257, and 100.258 and R.S. 51:1260(I) and 2316(D); Repeals R.S. 39:100.49 and 100.50)