

Regular Session, 2011

SENATE BILL NO. 171

BY SENATOR CHAISSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING. Provides relative to deposits into the Budget Stabilization Fund. (See Act)

1 AN ACT

2 To amend and reenact R.S. 39:94(C)(4)(b), relative to the Budget Stabilization Fund; to
3 provide for deposits into the Budget Stabilization Fund in certain circumstances; to
4 provide for the interruption of deposits into the Budget Stabilization Fund in certain
5 circumstances; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:94(C)(4)(b) is hereby amended and reenacted to read as follows:

8 SUBPART B. BUDGET STABILIZATION FUND

9 §94. Budget Stabilization Fund

10 * * *

11 C. The money in the fund shall not be available for appropriation except
12 under the following conditions:

13 * * *

14 (4)

15 * * *

16 (b)(i) Notwithstanding any provision of this Section to the contrary, ~~except~~
17 ~~pursuant to a specific appropriation by the legislature,~~ **if at any time mineral**

1 revenues exceed the base as provided in Subparagraphs A(2)(a) and (b) of this
2 Section, and monies in the fund are made available for appropriation or use as
3 provided in Subsection C of this Section, no appropriation or deposit of mineral
4 revenues as provided in Subparagraph A(2)(a) of this Section to the fund shall
5 be made in the same fiscal year as an appropriation, use or withdrawal is made from
6 the fund or until such time as the official forecast exceeds the actual collections of
7 state general fund (direct) revenue for Fiscal Year 2008. in the fiscal year for which
8 money in the fund is appropriated or for which money in the fund is
9 incorporated into the official forecast nor for the ensuing fiscal year, except by
10 specific appropriation by the legislature. Thereafter, deposits of mineral
11 revenues shall resume as provided in Subparagraph A(2)(a) of this Section
12 except in an annual amount not to exceed twenty-five percent of the most recent
13 amount made available for appropriation or use as provided in this Paragraph
14 until either the balance in the fund equals the maximum as provided in
15 Subparagraph C(4)(a) of this Section or an amount equal to the amount made
16 available for appropriation or use is deposited into the fund, whichever is less.

17 (ii) Except as provided in Item (i) of this Subparagraph, in the fiscal
18 year for which money in the fund is appropriated or incorporated into the
19 official forecast or for the ensuing fiscal year, deposits to the fund shall be made
20 as provided in Subsection A of this Section.

21 Section 2. Section 1 of this Act shall take effect and become operative if the
22 amendment of Article VII, Section 10.3 of the Constitution of Louisiana contained in the Act
23 which originated as Senate Bill No. 147 of this 2011 Regular Session of the Legislature is
24 adopted at the statewide election to be held on October 22, 2011 and at the same time as
25 such proposed amendment becomes effective.

26 Section 3. Sections 2 and 3 of this Act shall become effective on July 1, 2011. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

Chaisson (SB 171)

Present law establishes the Budget Stabilization Fund in the state treasury and provides the following revenues are to be deposited into the fund:

- (1) Monies available for appropriation in excess of the expenditure limit.
- (2) All mineral revenues received by the state in each fiscal year in excess of the base, which, by legislative act, was increased to \$850 million.
- (3) 25% of any monies recognized by the Revenue Estimating Conference as nonrecurring.
- (4) Any other monies appropriated to the fund by the legislature including the balance of any monies declared to be nonrecurring.

Proposed law retains present law.

Present law permits up to 1/3 of the Budget Stabilization Fund, subject to 2/3 approval of each house of the legislature, to be incorporated in the next fiscal year's official forecast if revenue estimates for the next fiscal year are less than the official forecast for the current fiscal year. Present law further permits up to 1/3 of the Budget Stabilization Fund, subject to 2/3 approval of each house of the legislature, to be appropriated for the current fiscal year budget if a deficit for the current fiscal year is projected due to a decrease in the official forecast.

Proposed law retains present law.

Proposed law provides that if at any time mineral revenues exceed the base and money in the fund is made available for appropriation or use as provided in present law, no deposit of mineral revenues shall be made in the fiscal year for which money in the fund is appropriated or for which money in the fund is incorporated into the official forecast nor for the ensuing fiscal year, except by specific appropriation. Thereafter, deposits of mineral revenues shall resume as provided in present law except in an annual amount not to exceed 25% of the most recent amount made available for appropriation or use until the balance in the fund equals the maximum or an amount equal to the amount made available for appropriation or use is deposited into the fund, whichever is less.

Section 1 of proposed law becomes effective and operative if the amendment of Article VII, Section 10.3(C) of the Constitution of Louisiana contained in the Act which originated as SB 147 of the 2011 RS is adopted at the statewide election to be held on October 22, 2011, and at the same time as such proposed amendment becomes effective. Sections 2 and 3 of the Act, which are the effective date provisions, become effective on July 1, 2011.

(Amends R.S. 39:94(C)(4)(b))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill.

1. Revises circumstances when deposits of mineral revenues do not have to be made to the fund.

2. Authorizes legislature to appropriate mineral revenues to the fund in periods when deposits of mineral revenues otherwise are not required to be made to the fund.
3. Provides that when deposits to the fund resume they shall not exceed 25% of the most recent amount made available for appropriation or use.
4. Technical amendments.