Chaisson (SB 171) **Act No. 383**

Prior law established the Budget Stabilization Fund in the state treasury and provided 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.

New law retains prior law.

Prior law permitted 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. Prior law further permitted 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. New law retains prior law.

New 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 prior law, no deposit of mineral revenues, except those deposits into the fund for such purposes included in the official forecast of the Revenue Estimating Conference, 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 existing law except in an annual amount not to exceed 33% 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.

New law further provides that amounts which are not deposited into the fund in one fiscal year as provided in new law shall be deposited into the fund in a subsequent fiscal year until the amount withdrawn or used is satisfied or until the balance in the fund reaches the maximum as provided in constitutional amendment. The resumption of these deposits shall not cease because of a subsequent withdrawal from the fund.

New law further provides that all other deposits, except mineral revenues, shall continue to be made to the fund in the fiscal year for which money in the fund is appropriated or incorporated into the official forecast or for the ensuing fiscal year.

Above provisions of new law becomes effective and operative if the amendment of Article VII, Section 10.3(C) of the constitution 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. This provision becomes effective on July 1, 2011.

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