

2015 Regular Session

HOUSE BILL NO. 562

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

BUDGETARY CONTROLS: Requires the Revenue Estimating Conference to designate certain general fund money from mineral revenue as nonrecurring and requires that such money be spent on payments towards the UAL

1 AN ACT

2 To enact R.S. 39:24(G), 34(B)(3), and 54(B)(2)(d), relative to state funds; to require the
3 Revenue Estimating Conference to include certain information in the official
4 forecast; to require the Revenue Estimating Conference to designate certain money
5 as nonrecurring; to provide for the uses of certain money designated as nonrecurring;
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:24(G), 34(B)(3), and 54(B)(2)(d) are hereby enacted to read as
9 follows:

10 §24. Official forecast

11 * * *

12 G.(1) The official forecast shall disclose the forecast price per barrel of oil
13 and the highest actual price per barrel of oil.

14 (2) If the forecast price per barrel of oil is greater than ninety percent of the
15 highest actual price per barrel of oil, the Revenue Estimating Conference shall
16 determine the revenues estimated to be available to the state general fund (direct)
17 based on the forecast price in excess of ninety percent of the highest actual price and
18 shall designate such revenues as nonrecurring.

1 (3) For purposes of this Section:

2 (a) "Forecast price per barrel of oil" means the price per barrel of oil used to
3 determine the amount of mineral revenues included in the official forecast.

4 (b) "Highest actual price per barrel of oil" means the highest actual price per
5 barrel of oil in the calendar year prior to the year in which the forecast is adopted or
6 revised.

7 * * *

8 §34. Executive budget

9 * * *

10 B. The executive budget recommendations for appropriations of any money
11 designated in the official forecast as nonrecurring shall be made only in accordance
12 with the following:

13 * * *

14 (3) Any money designated as nonrecurring pursuant to R.S. 39:24(G) that
15 is not reserved for the Budget Stabilization Fund shall be reserved for appropriation
16 for payments against the unfunded accrued liability of the public retirement systems
17 which are in addition to any payments required for the annual amortization of the
18 unfunded accrued liability of the public retirement systems, required by Article X,
19 Section 29(E)(2)(c) of the Constitution of Louisiana; however, any such payment to
20 the public retirement systems shall not be used, directly or indirectly, to fund cost-of-
21 living increases for such systems.

22 * * *

23 §54. Limitations on appropriations

24 * * *

25 B. Appropriation of any money designated in the official forecast as
26 nonrecurring shall be made only in accordance with the following:

27 * * *

28 (2)

29 * * *

1 (d) Any money designated as nonrecurring pursuant to R.S. 39:24(G) that
2 is not reserved for the Budget Stabilization Fund shall be reserved for appropriation
3 for payments against the unfunded accrued liability of the public retirement systems
4 which are in addition to any payments required for the annual amortization of the
5 unfunded accrued liability of the public retirement systems, required by Article X,
6 Section 29(E)(2)(c) of the Constitution of Louisiana; however, any such payment to
7 the public retirement systems shall not be used, directly or indirectly, to fund cost-of-
8 living increases for such systems.
9 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 562 Original 2015 Regular Session Havard

Abstract: Requires the Revenue Estimating Conference to designate certain general fund money from mineral revenue as nonrecurring based on the projected price of oil and requires that such money be spent on payments towards the UAL.

Proposed law requires the Revenue Estimating Conference (REC) to disclose in the official forecast for each fiscal year the price per barrel of oil used to determine mineral revenues in the official forecast (forecast price) and the highest actual price per barrel of oil in the prior calendar year (highest actual price).

Proposed law requires the REC to designate certain revenues as nonrecurring if the forecast price is greater than 90% of the actual price. Revenues estimated to be available to the state general fund (direct) based on the forecast price in excess of 90% of the highest actual price shall be designated as nonrecurring.

Present law provides for the uses of nonrecurring revenue. 25% of nonrecurring revenue shall be deposited into the Budget Stabilization Fund until the balance of the fund is equal to 4% of total state revenue receipts for the previous fiscal year. Authorized nonrecurring revenue may be used for the unfunded accrued liability (UAL) of the La. State Employees' Retirement System (LASERS) and Teachers' Retirement System of La. (TRSL) for application to the balance of the UAL as of June 30, 1988. Present law specifies that, for FY 2015-16, at least 10% of nonrecurring money shall be appropriated towards the balance of the UAL of LASERS and TRSL as of June 30, 1988.

Proposed law requires the executive budget and appropriations to reserve the money designated as nonrecurring by the REC under proposed law that is not reserved for the Budget Stabilization Fund to appropriations towards the balance of the UAL of LASERS and TRSL as of June 30, 1988.

(Adds R.S. 39:24(G), 34(B)(3), and 54(B)(2)(d))