
DIGEST

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HB 115 Original

2016 First Extraordinary Session

Ivey

Abstract: Creates the Mineral Revenue Fund as a special treasury fund. Dedicates all mineral revenue, excluding specific statutory dedications, into the fund. Allows 70% of the money to be used to pay state retirement systems' unfunded accrued liability and 30% for transportation.

Proposed law established the Mineral Revenue Fund (the "fund") as a special treasury fund. The source of monies deposited into the fund shall be all revenues received in each fiscal year by the state as a result of the production of or exploration for minerals (mineral revenues), excluding allocations as required under present constitution and present law, specifically:

- (1) The Bond Security and Redemption Fund.
- (2) Severance tax and royalty payments to the political subdivisions of the state.
- (3) The Louisiana Wildlife and Fisheries Conservation Fund.
- (4) The Oil and Gas Regulatory Fund.
- (5) The Rockefeller Wildlife Refuge Trust and Protection Fund.
- (6) The Marsh Island Operating Fund and the Russell Sage or Marsh Island Refuge Fund.
- (7) The MC Davis Conservation Fund.
- (8) The White Lake Property Fund.
- (9) The Louisiana Education Quality Trust Fund (the "8g Fund").
- (10) The Coastal Protection and Restoration Fund.
- (11) The Mineral Revenue and Audit Settlement Fund.
- (12) The Budget Stabilization Fund.
- (13) The Transportation Trust Fund and the Transportation Infrastructure Bank Fund.

Proposed law specifies that mineral revenues shall include severance taxes, royalty payments, bonus payments, or rentals, with exceptions for nonrecurring revenues, revenues due to grants or donations, and revenues from a tax on the transportation of mineral revenues.

Proposed law requires 70% of the money in the fund to be appropriated to the state retirement systems for the payment of unfunded accrued liabilities in proportion to the balance of unfunded accrued liabilities of each such system. A system shall apply its allocation to its oldest outstanding liability. Any allocations provided under proposed law shall be not used, directly or indirectly, to fund cost-of-living increases for such systems.

Proposed law requires 30% to be deposited in and credited to the Transportation Trust Fund. Mineral revenues deposited into the Transportation Trust Fund shall only be used for the following:

- (1) 50% for state highway pavement and bridge sustainability projects.
- (2) 20% for highway priority programs projects classified as capacity projects.
- (3) 20% for port construction and development priority program projects.
- (4) 10% for use by a state transportation infrastructure bank.

Effective on July 1, 2017.

(Adds R.S. 39:100.111)