2016 Regular Session

HOUSE BILL NO. 512

#### BY REPRESENTATIVE SHADOIN

# FUNDS/FUNDING: (Constitutional Amendment) Eliminates certain constitutional dedication of revenue

1	A JOINT RESOLUTION
2	Proposing to amend Article VI, Section 38.1(C), Article VII, Sections 4.1, 5, 10.1(A) and
3	(B), 10.8(A)(1) and (B), and 27(A) and (B), and Article XII, Section 6(A)(1) and to
4	repeal Article VII, Sections 10.1(C) and (D),10.2, 10.4, 10.5, 10.8(A)(2), (3), (4), and
5	(5) and (C), and 10.9, and Article IX, Section 10 of the Constitution of Louisiana, to
6	eliminate certain constitutional dedications and deposits into and expenditure out of
7	certain funds including the Louisiana Quality Education Trust Fund, Millennium
8	Trust, and Transportation Trust Fund; to repeal the Lottery Proceeds Fund,
9	Louisiana Quality Education Support Fund, Education Excellence Fund, Health
10	Excellence Fund, TOPS Fund, Louisiana Fund, Coastal Protection and Restoration
11	Fund, Mineral Revenue Audit and Settlement Fund, Louisiana Investment Fund for
12	Enhancement, and Higher Education Louisiana Partnership Fund; to provide for
13	submission of the proposed amendment to the electors; to provide for an effective
14	date; and to provide for related matters.
15	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
16	elected to each house concurring, that there shall be submitted to the electors of the state of
17	Louisiana, for their approval or rejection in the manner provided by law, a proposal to

18 amend Article VI, Section 38.1(C) of the Constitution of Louisiana, to read as follows:

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1	§38.1. Regional Flood Protection Authorities
2	Section 38.1.
3	* * *
4	(C) Notwithstanding the provisions of Article VII, Section 10.2(D) of this
5	Constitution, the The legislature may appropriate up to five hundred thousand dollars
6	annually to regional flood protection authorities from the Coastal Protection and
7	Restoration Fund.
8	* * *
9	Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members
10	elected to each house concurring, that there shall be submitted to the electors of the state of
11	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
12	amend Article VII, Sections 4.1, 5, 10.1(A) and (B), 10.8(A)(1) and (B), and 27(A) and (B)
13	of the Constitution of Louisiana, to read as follows:
14	§4.1. Cigarette Tax Rates
15	Section 4.1. To ensure revenue for the dedication provided for in Article VII,
16	Section 10.8(C)(2)(c) of this constitution, the The rate of the tax levied pursuant to
17	R.S. 47:841(B)(3) shall not be less than the rate set forth in that provision as it exists
18	on January 1, 2012.
19	* * *
20	§5. Motor Vehicle License Tax
21	Section 5. The legislature shall impose an annual license tax of not more
22	than one dollar per each one thousand dollars of actual value on automobiles for
23	private use based on the actual value of the vehicle, as provided by law. However,
24	the annual license tax shall not be less than ten dollars per automobile for private
25	use. On other motor vehicles, the legislature shall impose an annual license tax
26	based upon carrying capacity, horsepower, value, weight, or any of these. After
27	satisfying the requirements of Section 9(B) of this Article, and after satisfying
28	pledges respecting that portion of the revenues attributable to the tax rates in effect
29	at the time of such pledges for the payment of obligations for bonds or other

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1	evidences of indebtedness and upon the creation of a Transportation Trust Fund
2	within this constitution, the revenues from the license tax on automobiles for private
3	use shall be deposited therein into the state general fund. In the event no such trust
4	fund is established in this constitution, the revenues shall be used exclusively and
5	solely as provided by law for the construction, maintenance, and safety of the federal
6	and state system of roads and bridges, for the parish and municipal road systems, for
7	the operations of the office of state police, Department of Public Safety and
8	Corrections or its successor, and for the payment of any obligation for bonds issued
9	or indebtedness incurred in connection with any of the foregoing, which bonds may
10	be issued as revenue bonds under Article VII, Section 6(C) of this constitution,
11	subject to existing pledges only as to that portion of the tax collections attributable
12	to the rates in effect at the time of such pledges for the payment of any obligations
13	for bonds or other evidences of indebtedness outstanding on the effective date of this
14	Section. No parish or municipality may impose a license fee on motor vehicles.
15	* * *
15 16	* * * * §10.1. Quality Trust Fund <del>; Education</del>
16	§10.1. Quality Trust Fund <del>; Education</del>
16 17	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective
16 17 18	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent
16 17 18 19	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the
16 17 18 19 20	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the "Permanent Trust Fund." After allocation of money to the Bond Security and
16 17 18 19 20 21	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the "Permanent Trust Fund." After allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and
16 17 18 19 20 21 22	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the "Permanent Trust Fund." After allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the "Permanent Trust Fund." After allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall deposit in and credit to the Permanent Trust Fund all money which is received after
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the "Permanent Trust Fund." After allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall deposit in and credit to the Permanent Trust Fund all money which is received after the first one hundred million dollars from the federal government under Section
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> </ol>	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the "Permanent Trust Fund." After allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall deposit in and credit to the Permanent Trust Fund all money which is received after the first one hundred million dollars from the federal government under Section 1337(g) of Title 43 of the United States Code which is attributable to mineral
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> </ol>	§10.1. Quality Trust Fund; Education Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective January 1, 1987, there shall be established in the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the "Permanent Trust Fund." After allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall deposit in and credit to the Permanent Trust Fund all money which is received after the first one hundred million dollars from the federal government under Section 1337(g) of Title 43 of the United States Code which is attributable to mineral production activity or leasing activity on the Outer Continental Shelf which has been

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1 production activity or leasing activity on the Outer Continental Shelf; twenty-five 2 percent all of the interest income earned on investment of monies in the Permanent 3 Trust Fund; seventy-five percent all of the realized capital gains on investment of the 4 Permanent Trust Fund, unless such percentage is changed by law enacted by twothirds of the elected members of each house of the legislature; and twenty-five 5 6 percent all of the dividend income earned on investment of the Permanent Trust 7 Fund shall be deposited into the state general fund. No appropriation shall be made 8 from the Permanent Trust Fund. If any such money has been received prior to the 9 effective date of this Section, the treasurer shall transfer from the state general fund 10 to the Permanent Trust Fund on the effective date of this Section an amount of 11 money which shall make the Permanent Trust Fund balance equal to the amount of 12 such money previously received, except for the first one hundred million dollars. After six hundred million dollars has been credited to the Permanent Trust Fund, the 13 14 sum of fifty million dollars shall be credited to the Coastal Environment Protection 15 Trust Fund, as established in R.S. 30:313, from those monies Monies received from 16 the federal government under Section 1337(g) of Title 43 of the United States Code 17 which is attributable to mineral production activity or leasing activity on the Outer 18 Continental Shelf and which has been held in escrow pending a settlement between 19 the United States and the state of Louisiana; all funds in excess of seven hundred 20 fifty million dollars shall be credited to the Permanent Trust Fund state general fund.

21 (2) After allocation of money to the Bond Security and Redemption Fund as 22 provided in Article VII, Section 9(B) of the constitution, and notwithstanding Article 23 XIV, Section 10 of the constitution, seventy-five percent of the recurring revenues 24 received under Section 1337(g) of Title 43 of the United States Code which are 25 attributable to mineral production activity or leasing activity, and the percent 26 remaining of the realized capital gains and interest income and dividend income 27 earned on investment of the Permanent Trust Fund after the deposit required to the 28 Permanent Trust Fund in Paragraph A(1) of this Section shall be deposited and 29 credited to a special fund which is hereby created in the state treasury and which

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shall be known as the Louisiana Quality Education Support Fund, hereinafter
 referred to as the "Support Fund" the state general fund.

3 (3) All recurring revenues and interest earnings shall be credited to the
4 respective funds as provided in Subparagraphs (1) and (2) above until the balance in
5 the Permanent Trust Fund equals two billion dollars. After the Permanent Trust
6 Fund reaches a balance of two billion dollars, all interest earnings on the Permanent
7 Trust Fund shall be credited to the Support Fund and all recurring revenues shall be
8 credited to the State General Fund: state general fund.

9 (B) Investment. The money credited to the Permanent Trust Fund pursuant 10 to Paragraph (A) of this Section shall be permanently credited to the Permanent Trust 11 Fund and shall be invested by the treasurer. Notwithstanding any provision of this 12 constitution or other law to the contrary, a portion of money in the Permanent Trust 13 Fund, not to exceed thirty-five percent, may be invested in stock. The legislature 14 shall provide for procedures for the investment of such monies by law. The treasurer 15 shall contract, subject to the approval of the State Bond Commission, for the 16 management of such investments. The amounts in the Support Fund shall be 17 available for appropriation to pay expenses incurred in the investment and 18 management of the Permanent Trust Fund and for educational purposes only as 19 provided in Paragraphs (C) and (D) of this Section.

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22

21 §10.8. Millennium Trust

Section 10.8. Millennium Trust

23 (A) Creation

(1) There shall be established in the state treasury as a special permanent
trust the "Millennium Trust". After allocation of money to the Bond Security and
Redemption Fund as provided in Article VII, Section 9(B) of this constitution, the
treasurer shall deposit in and credit to the Millennium Trust certain monies received
as a result of the Master Settlement Agreement, hereinafter the "Settlement
Agreement", executed November 23, 1998, and approved by Consent Decree and

1	Final Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex rel.
2	State of Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-6473
3	on the docket of the Fourteenth Judicial District for the parish of Calcasieu, state of
4	Louisiana; and all dividend and interest income and all realized capital gains on
5	investment of the monies in the Millennium Trust. The treasurer shall deposit in and
6	credit to the Millennium Trust the following amounts of any monies received as a
7	result of the Settlement Agreement <del>.</del>
8	(a) Fiscal Year 2000-2001, forty-five percent of the total monies received
9	that year.
10	(b) Fiscal Year 2001-2002, sixty percent of the total monies received that
11	<del>year.</del>
12	(c) Fiscal Year 2002-2003 and each fiscal year thereafter, seventy-five
13	percent of the total monies received that year. However, beginning in Fiscal Year
14	2011-2012 Beginning on July 1, 2017, after the balance in the Millennium Trust
15	reaches a total of one billion three hundred eighty million dollars, the monies
16	deposited in and credited to the Millennium Trust, received as a result of the
17	Settlement Agreement, monies received as a result of the Master Settlement
18	Agreement and all earnings on the investment of the Millennium Trust, shall be
19	allocated to the various funds within the Millennium Trust as provided in
20	Subsubparagraphs (2)(b), (3)(b), and (4)(b) and (c) of this Paragraph deposited into
21	the state general fund.
22	(d) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year
23	2002-2003, ten percent of the total monies received in each of those years for credit
24	to the Education Excellence Fund which, notwithstanding the provisions of
25	Subparagraph (C)(1) of this Section, shall be appropriated for the purposes provided
26	in Subsubparagraph (d) of Subparagraph (3) of Paragraph (C) of this Section.
27	* * *

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1	(B) Investment. Monies credited to the Millennium Trust pursuant to
2	Paragraph (A) of this Section shall be invested by the treasurer with the same
3	authority and subject to the same restrictions as the Louisiana Education Quality
4	Trust Fund. However, the portion of monies in the Millennium Trust which may be
5	invested in stock may be increased to no more than fifty percent by a specific
6	legislative instrument which receives a favorable vote of two-thirds of the elected
7	members of each house of the legislature. The legislature shall provide for
8	procedures for the investment of such monies by law. The treasurer may contract,
9	subject to the approval of the State Bond Commission, for the management of such
10	investments and, if a contract is entered into, amounts necessary to pay the costs of
11	the contract shall be appropriated from the Millennium Trust.
12	* * *
13	§27. Transportation Trust Fund
14	Section 27.(A) Creation of fund. Effective January 1, 1990, there shall be
15	established in the state treasury as a special permanent trust fund the Transportation
16	Trust Fund ("the trust fund") in which shall be deposited the "excess revenues" as
17	defined herein which are a portion of the avails received in each year from all taxes
18	levied on gasoline and motor fuels and on special fuels (said avails being referred to
19	as the "revenues") as provided herein. After satisfying pledges respecting that
20	portion of the revenues attributable to the tax rates in effect at the time of such
21	pledges for the payment of obligations for bonds or other evidences of indebtedness
22	on the effective date of this Section, the treasurer shall allocate such portion of the
23	revenues received in each year as necessary to pay all principal, interest, premium,
24	if any, and other obligations incident to the issuance, security, and payment in
25	respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the portion of the
26	revenues remaining shall be deposited in the Bond Security and Redemption Fund
27	in the state treasury. After (1) the payment of any obligations for bonds or other
28	evidences of indebtedness in existence on the effective date of this Section which are
29	secured by revenues; (2) payments in respect of bonds authorized in Paragraph (C)

1 hereof; and (3) credit to the Bond Security and Redemption Fund, the treasurer shall 2 deposit in and credit to the trust fund all of the revenues remaining (the "excess 3 revenues") from the avails of all taxes levied on gasoline and motor fuels and on 4 special fuels, as follows: for the fiscal year beginning July 1, 1989, the avails of twelve cents per gallon of said taxes received on and after January 1, 1990; for the 5 6 fiscal year beginning on July 1, 1990, the avails of fourteen cents per gallon of said 7 taxes; for the fiscal year beginning on July 1, 1991, through the fiscal year beginning 8 on July 1, 2016, and thereafter, the avails of all taxes levied on gasoline and motor 9 fuels and on special fuels; for the fiscal year beginning on July 1, 2017 and 10 thereafter: (a) avails from one cent per gallon of said taxes for appropriation from the 11 Parish Transportation Fund, (b) the avails of taxes levied on gasoline and motor fuels 12 and on special fuels necessary to satisfy pledges respecting that portion of the 13 revenues attributable to the tax rates in effect at the time of such pledges for the 14 payment of bond obligations or other evidences of indebtedness on January 1, 2017, 15 and (c) the avails of other taxes levied on gasoline and motor fuels and on special 16 fuels as may be provided by law. Purchases of gasoline, diesel fuel, or special fuels 17 which are subject to excise tax under Chapter 7 of Subtitle II of Title 47 of the 18 Louisiana Revised Statutes of 1950 shall be exempt from the state sales tax and any 19 sales tax levied by a political subdivision as defined by Article VI, Section 44(2). 20 All monies appropriated by the Federal Highway Administration and the Federal 21 Aviation Administration, or their successors, either reimbursed or paid directly, shall 22 be paid directly or deposited in and credited to the trust fund. 23 (B) The monies in the trust fund shall be appropriated or dedicated solely

and exclusively for the costs for and associated with construction and maintenance of the roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program or its successor, ports, airports, transit, state police for traffic control purposes, and the Parish Transportation Fund or its successor and for the payment of all principal, interest, premium, if any, and other obligations incident to the issuance, security, and payment in respect of bonds or other obligations payable

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1	from the trust fund as authorized in Paragraph (D) hereof. Unless pledged to the
2	repayment of bonds authorized in Paragraphs (C) or (D) of this Section, the monies
3	in the trust fund allocated to ports, airports, flood control, parish transportation, and
4	state highway construction shall be appropriated annually by the legislature only
5	pursuant to programs established by law which establish a system of priorities for the
6	expenditure of such monies, except that the Transportation Infrastructure Model for
7	Economic Development, which shall include only those projects enumerated in
8	House Bill 17 of the 1989 First Extraordinary Session of the Legislature* and US
9	Highway 61 from Thompson Creek to the Mississippi Line, in lieu of "US 61-Bains
10	to Mississippi Line", and US Highway 165 from I-10 to Alexandria to Monroe to
11	Bastrop and thence on US Highway 425 from Bastrop to the Arkansas Line, in lieu
12	of "US 165-I-10 Alexandria-Monroe-Bastrop-Arkansas Line", and LA 15-Natchez,
13	Mississippi to Chase in lieu of "LA 15-Natchez, Mississippi to Monroe", shall be
14	funded as provided by law. The state generated tax monies appropriated for ports,
15	Parish Transportation Fund, or its successor, and the Statewide Flood-Control
16	Program, or its successor, and state police for traffic control purposes shall not
17	exceed twenty percent annually of the state generated tax revenues in the trust fund.;
18	provided, however, that no No less than the avails of one cent of the tax on gasoline
19	and special fuels shall be appropriated each year to the Parish Transportation Fund,
20	or its successor. The annual appropriation for airports shall be a sum equal to, but
21	not greater than, the annual estimated revenue to be derived from the state taxes to
22	be collected and received on aviation fuel. Unencumbered and unexpended balances
23	at the end of each fiscal year shall remain in the trust fund. The and the earnings
24	realized in each fiscal year on the investment of monies in the trust fund shall be
25	deposited in and credited to the trust state general fund.
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#### HLS 16RS-752

1 Section 3. Be it resolved by the Legislature of Louisiana, two-thirds of the members 2 elected to each house concurring, that there shall be submitted to the electors of the state of 3 Louisiana, for their approval or rejection in the manner provided by law, a proposal to 4 amend Article XII, Section 6(A)(1) of the Constitution of Louisiana, to read as follows: 5 §6. Lotteries; Gaming, Gambling, or Wagering 6 Section 6.(A) Lotteries. (1) The legislature may provide for the creation and 7 operation of a state lottery and may create a special corporation for that purpose 8 whose employees shall not be subject to state civil service. The After compliance 9 with the requirement of Article VII, Section 9(B) of this constitution, net proceeds 10 from the operation of the lottery shall be deposited in a special fund created in the 11 state treasury entitled the Lottery Proceeds Fund. Amounts deposited in the fund 12 shall not be appropriated for expenditure in the same calendar year in which they are 13 received. The legislature shall annually appropriate from the fund only for the 14 purposes of the minimum foundation program and no more than five hundred 15 thousand dollars for services related to compulsive and problem gaming as may be 16 provided by law into the state general fund. 17 18 Section 4. Be it resolved by the Legislature of Louisiana, two-thirds of the members

elected to each house concurring, that there shall be submitted to the electors of the state of
Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal
Article VII, Sections 10.1(C) and (D),10.2, 10.4, 10.5, 10.8(A)(2), (3), (4) and (5) and (C),
and 10.9 and Article IX, Section 10 of the Constitution of Louisiana.

Section 5. The state treasurer is hereby authorized and directed to transfer any
unencumbered balances remaining in the funds repealed and abolished in Sections 1 through
4 of this Act to the state general fund after satisfying the appropriations for Fiscal Year
2016-2017.

Section 6. Be it further resolved that this proposed amendment shall be submitted
to the electors of the state of Louisiana at the statewide election to be held on November 8,
2016.

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1	Section 7. Be it further resolved that the provisions of this proposed amendment
2	shall become effective July 1, 2017.

Section 8. Be it further resolved that on the official ballot to be used at the election,
there shall be printed a proposition, upon which the electors of the state shall be permitted
to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
follows:

7	Do you support an amendment to remove certain constitutional dedications,
8	including certain deposits into the Lottery Proceeds Fund, the Louisiana
9	Education Quality Trust Fund and Support Fund, the Millennium Trust, the
10	Education Excellence Fund, the Health Excellence Fund, the TOPS Fund, the
11	Louisiana Fund, the Coastal Protection and Restoration Fund, the Mineral
12	Revenue Audit and Settlement Fund, the Transportation Trust Fund, the
13	Louisiana Investment Fund for Enhancement, and the Higher Education
14	Louisiana Partnership Fund? (Effective July 1, 2017) (Amends Article VI,
15	Section 38.1(C), and Article VII, Sections 4.1, 5, 10.1(A) and (B), 10.8(A)(1)
16	and (B), and 27(A) and (B), and Article XII, Section 6(A)(1); Repeals Article
17	VII, Sections 10.1(C) and (D),10.2, 10.4, 10.5, 10.8(A)(2), (3), (4), and (5)
18	and (C), 10.9, and Article IX, Section 10)

### 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 512 Original	2016 Regular Session	Shadoin
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Abstract: Eliminates certain constitutional dedications of revenue.

<u>Present constitution</u> creates the Louisiana Education Quality Trust Fund (Const. Art. 7, §10.1) and deposits into the trust revenues from the federal government related to mineral activities on the outer continental shelf. Further prohibits appropriations from the trust and provides that once the balance of the trust reaches \$2 billion, all recurring revenues in the trust are deposited into the state general fund. <u>Proposed constitutional amendment</u> changes the name of the trust from Louisiana Education Quality Trust Fund to the Louisiana Quality Trust Fund.

<u>Present constitution</u> further creates the Louisiana Quality Education Support Fund and deposits into the fund 75% of certain revenues into the trust and interest earnings from the trust. The monies in the fund are available for appropriation only for educational purposes. <u>Proposed constitutional amendment</u> eliminates the Louisiana Quality Education Support Fund. Changes the source receiving the deposit of 75% of revenues that go into the trust and interest earnings from the Louisiana Quality Education Support Fund.

<u>Present constitution</u> creates the Millennium Trust (Const. Art. 7, §10.8) and deposits 75% of the monies received from the multi-state tobacco settlement agreement into the trust. <u>Present constitution</u> further creates the Louisiana Fund (Const. Art. 7,§10.9) and deposits 25% of the monies received from the multi-state tobacco settlement agreement. The monies in the Louisiana Fund are available for use for healthcare and educational purposes. <u>Proposed constitutional amendment</u> eliminates the Louisiana Fund and changes the amount deposited into the Millennium Trust from monies received from the multi-state tobacco settlement agreement.

Present constitution further creates three funds within the Millennium Trust: the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund. Present constitution allocates 1/3 of the interest earnings on the trust to the Health Excellence Fund and the Education Excellence Fund. Monies in the Health Excellence Fund are available only for certain healthcare related purposes and the monies in the Education Excellence Fund are available only for certain healthcare related purposes. Present constitution allocates all of the monies received from the multi-state tobacco settlement agreement and deposited into the Millennium Trust into the TOPS Fund and further allocates 1/3 of the interest earnings on the trust to the TOPS Fund. Monies in the TOPS Fund can be used only for financial assistance for students attending Louisiana institutions of higher education. Proposed constitutional amendment eliminates the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund in the constitution. Proposed constitutional amendment changes the source receiving all of the monies from the tobacco settlement agreement and deposited into the Millennium Trust from the TOPS Fund to the state general fund. Further changes the source receiving the interest earnings on the trust from an allocation of 1/3 of the amount to the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund to the state general fund.

<u>Present constitution</u> authorizes the legislature to create a state lottery and requires that the net proceeds be deposited into the Lottery Proceeds Fund and used to fund the Minimum Foundation Program (Const. Art. 12, §6). <u>Proposed constitutional amendment</u> deletes the requirement that the net lottery proceeds are deposited into the Lottery Proceeds Fund and used to fund the Minimum Foundation Program.

<u>Present constitution</u> creates the Transportation Trust Fund (Const. Art. 7, §27) and deposits into the trust certain taxes on certain fuels and vehicle licenses (Const. Art. 7, §5). <u>Proposed constitutional amendment</u> changes the dedication of the tax on vehicle licenses from the Transportation Trust Fund to the state general fund. <u>Proposed constitutional amendment</u> retains <u>present constitution</u> regarding the deposit of taxes on fuels into the fund through Fiscal Year 2014-2017. For the fiscal year beginning on July 1, 2017, dedicates the one cent of the taxes levied on fuels necessary to the dedication to the Parish Transportation Fund, the amount necessary to satisfy revenues pledged for debt service on Jan. 1, 2015, and deposits of taxes levied on fuels into the trust may be provided by law.

<u>Present constitution</u> authorizes the state to levy certain taxes on natural resources when they are extracted, also known as a severance tax, and certain mineral lease royalties (Art 7, §4). <u>Present constitution</u> dedicates certain portions of the taxes and royalties to the parish government authority in which the extraction or production of the natural resource occurred. <u>Proposed constitutional amendment</u> eliminates the dedication of the severance tax to parish government authorities.

<u>Proposed constitutional amendment</u> eliminates the following special treasury funds in the constitution and the constitutional requirements regarding such funds:

Coastal Protection and Restoration Fund	Const. Art 7, §10.2
Higher Education Louisiana Partnership Fund	Const. Art 7, §10.4
Louisiana Investment Fund for Enhancement	Const. Art 9, §10
Mineral Revenue Audit and Settlement Fund	Const. Art 7, §10.5

Authorizes and directs the state treasurer to transfer any unencumbered balances remaining in the funds repealed and abolished in the <u>proposed constitutional amendment</u> to the state general fund after satisfying the appropriations for Fiscal Year 2016-2017.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2016.

Effective July 1, 2017.

(Amends Art. VI, §38.1(C), and Art. VII, §§4.1, 5, 10.1(A) and (B), 10.8(A)(1) and (B), and 27(A) and (B), and Art. XII, §6(A)(1); Repeals Art. VII, §§10.1(C) and (D),10.2, 10.4, 10.5, 10.8(A)(2), (3), (4), and (5) and (C), 10.9, and Art. IX, §10)