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## DIGEST

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HB 509 Original

2016 Regular Session

Gregory Miller

**Abstract:** Provides for changes to the Budget Stabilization Fund and allocations of mineral revenues.

Present constitution establishes the Budget Stabilization Fund and provides for various deposits into the fund including 25% of any nonrecurring revenues and mineral revenues collected by the state over a base amount of \$750 million. Further authorizes the legislature to increase the base amount every 10 years in law. Increases provided for in law in 2004 and 2015 have increased the base amount to \$950 million. Proposed constitutional amendment decreases the base amount used to determine the deposits into the fund from \$950 million to \$700 million and deletes the authority for the legislature to increase the base amount over which mineral revenues would be deposited into the fund.

Present constitution prohibits the appropriation or deposit of any money into the fund if the deposit would cause the balance of the fund to be more than 4% of the total state revenue receipts for the previous year. Proposed constitutional amendment increases the cap for deposits or appropriations into the fund from 4% of the total state revenue for the previous year to the following:

- (1) 6% beginning in Fiscal Year 2018-2019.
- (2) 10% beginning in Fiscal Year 2019-2020, and for each fiscal year after.

Proposed constitutional amendment further provides that total state revenue receipts shall not include money received from FEMA or other sources providing disaster relief assistance.

Proposed constitutional amendment requires that except pursuant to a specific appropriation by the legislature or deposit of nonrecurring revenues, no appropriation or deposit will be made into the fund in a year in which the fund is used. Further requires that no appropriation or deposit will be made into the fund in the year following the year when the fund was used.

Proposed constitutional amendment provides that mineral revenues that would otherwise be deposited into the fund, but can not because the fund has reached its cap, be appropriated against the unfunded accrued liability of the public retirement systems.

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. VII, §10.3(A)(2) and (C)(4); Adds Art. VII, §10.3(C)(5) and (D))