

2016 Regular Session

HOUSE BILL NO. 617

BY REPRESENTATIVE GREGORY MILLER

BUDGETARY CONTROLS: Provides for allocations of mineral revenues and changes to the Budget Stabilization Fund

1 AN ACT

2 To amend and reenact R.S. 39:94(A)(2)(a)(introductory paragraph) and (b), and (C)(4) and
3 R.S. 48:77(A) and to enact R.S. 39:94(C)(5) and (D) relative to the dedication of
4 mineral revenues; to provide for the base used to determine the amount of mineral
5 revenues deposited into the Budget Stabilization Fund; to provide for the balance
6 of the Budget Stabilization Fund; to provide for appropriations or deposits into the
7 Budget Stabilization Fund; to provide for mineral revenues in excess of deposits into
8 the Budget Stabilization Fund; to provide for an effective date; and to provide for
9 related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 39:94(A)(2)(a)(introductory paragraph) and (b) and (C)(4) are hereby
12 amended and reenacted and R.S. 39:94(C)(5) and (D) are hereby enacted to read as follows:

13 §94. Budget Stabilization Fund

14 A.

15 * * *

16 (2)(a) All revenues received in each fiscal year by the state in excess of ~~nine~~
17 seven hundred ~~fifty~~ million dollars, hereinafter referred to as the "base", as a result
18 of the production of or exploration for minerals, hereinafter referred to as "mineral
19 revenues", including severance taxes, royalty payments, bonus payments, or rentals,
20 and excluding such revenues designated as nonrecurring pursuant to Article VII,
21 Section 10(B) of the Constitution of Louisiana, any such revenues received by the

1 state as a result of grants or donations when the terms or conditions thereof require
2 otherwise and revenues derived from any tax on the transportation of minerals, shall
3 be deposited in the fund after the following allocations of said mineral revenues have
4 been made:

5 * * *

6 (b) ~~The base may be increased every ten years beginning in the year 2014~~
7 ~~by a law enacted by two-thirds of the elected members of each house of the~~
8 ~~legislature. Any such increase shall not exceed fifty percent in the aggregate of the~~
9 ~~increase in the consumer price index for the immediately preceding ten years.~~

10 * * *

11 C. The money in the fund shall not be available for appropriation except
12 under the following conditions:

13 * * *

14 (4)(a) ~~No~~ For Fiscal Years 2016-2017 and 2017-2018, no appropriation or
15 deposit to the fund shall be made if such appropriation or deposit would cause the
16 balance in the fund to exceed four percent of total state revenue receipts for the
17 previous fiscal year. ~~For the purposes of this Section, total state revenue receipts~~
18 ~~shall not include any monies received by the state from the Federal Emergency~~
19 ~~Management Agency or other sources providing disaster relief assistance.~~

20 (b) For Fiscal Year 2018-2019, no appropriation or deposit to the fund shall
21 be made if such appropriation or deposit would cause the balance in the fund to
22 exceed six percent of total state revenue receipts for the previous fiscal year.

23 (c) Beginning in Fiscal Year 2019-2020 and for each fiscal year after, no
24 appropriation or deposit to the fund shall be made if such appropriation or deposit
25 would cause the balance in the fund to exceed ten percent of total state revenue
26 receipts for the previous fiscal year.

27 (d) For the purposes of this Paragraph, total state revenue receipts shall not
28 include any monies received by the state from the Federal Emergency Management
29 Agency or other sources providing disaster relief assistance.

1 ~~(b) (5)(a)~~ Notwithstanding any provision of this Section to the contrary,
 2 except pursuant to a specific appropriation by the legislature or the annual deposit
 3 required by Paragraph (A)(3) of this Section, no appropriation or deposit to the fund
 4 shall be made in the same fiscal year as an appropriation, use or withdrawal is made
 5 from the fund ~~or until such time as the official forecast exceeds the actual collections~~
 6 ~~of state general fund (direct) revenue for Fiscal Year 2008. The provisions of this~~
 7 ~~Subparagraph shall be null, void, and of no effect on July 1, 2017.~~

8 (b) Notwithstanding any provision of this Section to the contrary, except
 9 pursuant to a specific appropriation by the legislature or the annual deposit required
 10 by Paragraph (A)(3) of this Section, no appropriation or deposit shall be made into
 11 the fund in a fiscal year in which an appropriation, use, or withdrawal was made
 12 from the fund in the preceding fiscal year.

13 (D) Mineral revenues in excess of the base which would otherwise be
 14 deposited into the Budget Stabilization Fund under Paragraph (A)(2) of this Section,
 15 but are prohibited from being deposited into the fund under Paragraph (C)(4) and (5)
 16 of this Section, shall be used for payments against the unfunded accrued liability of
 17 the public retirement systems which are in addition to any payments required for the
 18 annual amortization of the unfunded accrued liability of the public retirement
 19 systems, as required by Article X, Section 29(E)(2)(c) of the Constitution of
 20 Louisiana; however, any such payments to the public retirement systems shall not
 21 be used, directly or indirectly, to fund cost-of-living increases for such systems.

22 Section 2. R.S. 48:77(A) is hereby amended and reenacted to read as follows:

23 §77. Transportation Trust Fund; dedication and uses of certain monies for
 24 transportation purposes

25 A. Beginning Fiscal Year 2017-2018 and each year thereafter, from the
 26 avails of the taxes imposed by Chapters 2, 2-A, and 2-B of Subtitle II of Title 47 of
 27 the Louisiana Revised Statutes of 1950 from the sale, use, lease or rental, the
 28 distribution, the consumption, and the storage for use or consumption of motor
 29 vehicles which are taxable pursuant to said Chapters 2, 2-A, and 2-B, and after

1 satisfying the requirements of Article VII, Section 9(B) of the Constitution of
2 Louisiana relative to the Bond Security and Redemption Fund, the treasurer shall
3 deposit an amount equal to ~~an increase in~~ general fund revenues as certified by the
4 Revenue Estimating Conference as being attributable to ~~the provisions of Acts 2015,~~
5 ~~No. 257, but not in excess of one hundred million dollars per fiscal year, to the funds~~
6 ~~to be dedicated for use as provided by Subsection B of this Section.~~ revenues in
7 excess of six hundred million as a result of the production of or exploration for
8 minerals, referred to as "mineral revenues", including severance taxes, royalty
9 payments, bonus payments, or rentals, and excluding such revenues designated as
10 nonrecurring pursuant to Article VII, Section 10(B) of the Constitution of Louisiana,
11 any such revenues received by the state as a result of grants or donations when the
12 terms or conditions thereof require otherwise, and revenues derived from any tax on
13 the transportation of minerals. Such deposit attributable to mineral revenues provided
14 in this Subsection shall not exceed one hundred million dollars in a fiscal year.

* * *

16 Section 3. This Act shall take effect and become operative if and when the proposed
17 amendment of Article VII, Section 10.3 of the Constitution of Louisiana contained in the Act
18 which originated as House Bill No. _____ of this 2016 Regular Session of the Legislature
19 is adopted at a statewide election and becomes effective.

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 617 Original

2016 Regular Session

Gregory Miller

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

Present law 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 \$950 million. Further authorizes the legislature to increase the base amount every 10 years.

Proposed law decreases the base amount from \$950 million to \$700 million and eliminates the authority for the legislature to increase the base amount over which mineral revenues would be deposited into the fund.

Present law 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 law 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.

Present law 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 or until the official forecast is more than actual collections of state general fund (direct) revenue for Fiscal Year 2008. Further, present law is null, void, and of no effect on July 1, 2017.

Proposed law deletes provision in present law restricting deposits until the official forecast is more than actual collections of state general fund (direct) revenue for Fiscal Year 2008.

Proposed law further deletes provision that present law is null, void, and no effect on July 1, 2017.

Proposed law 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 law 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.

Present law provides for the deposit of taxes imposed in present law into the Transportation Trust Fund (TTF) in an amount equal to the increase in general fund revenues from an increase in the base from \$850 million to \$950 million authorized by the legislature in the 2015 Regular Session of the Legislature.

Proposed law changes present law to clarify that based on the changes to the base provided in proposed law, the TTF will receive revenues in excess of base mineral revenues of \$600 million, not to exceed \$100 million on a fiscal year.

Effective if and when the proposed amendment of Article VII, Section 10.3 of the Constitution of La. contained in the Act which originated as House Bill No. _____ of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:94(A)(2)(a)(intro. para.) and (b), (C)(4) and R.S. 48:77(A); Adds R.S. 39:94(C)(5) and (D))