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## DIGEST

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HB 599 Original

2025 Regular Session

Emerson

**Abstract:** ABSTRACT

### **Oilfield Site Restoration Fund**

Present law (R.S. 30:86) establishes a fund in the custody of the treasurer called the Oilfield Site Restoration Fund. Proposed law establishes the fund as a special fund in the treasury.

Proposed law retains present law. Adds provisions requiring unexpended and unencumbered monies at the end of the fiscal year to remain in the fund, that monies in the fund be invested by the treasurer in the same manner as the state general fund, and that interest earned on the monies in the Restoration Fund be deposited into the fund. Requires the treasurer to prepare and submit to the Dept. of Energy and Natural Resources on a quarterly basis a report reflecting the balance of the fund.

Proposed law provides that present and proposed law do not apply to monies allocated to parishes pursuant to proposed constitutional amendment (Art. VII, §8(B) and (C)).

### **Oil Spill Contingency Fund**

Present law (R.S. 30:2483) creates a special fund in the state treasury called the Oil Spill Contingency Fund in order to fulfill the constitutional mandate to protect, conserve, and replenish the natural resources of the state. Requires the monies in the fund be used in response to all threatened or actual unauthorized discharges of oil and for clean up. Provides for the deposit of monies derived from all fees, taxes, penalties, judgments, reimbursements, charges, and federal funds collected pursuant to the Oil Spill Prevention and Response Act. Provides for the deposit, uses, and investment of the monies in the fund.

Proposed law retains present law. Adds provisions for the deposit of any monies derived from fees, taxes, penalties, reimbursements, charges, federal funds, or other revenue enacted by the legislature for the purposes of abatement and containment of actual or threatened unauthorized discharges of oil. Provides for deposit of funds or revenue donated to the fund. Provides for monies in the fund to be appropriated for administrative costs associated with the abatement and containment of unauthorized discharges of oil.

Proposed law provides that present and proposed law do not apply to monies allocated to parishes pursuant to proposed constitutional amendment (Art. VII, §8(B) and (C)).

## **Budget Stabilization Fund**

Present law (R.S. 39:94) creates a special fund in the state treasury called the Budget Stabilization Fund. Provides for deposits into the fund from all monies available for appropriations from the state general fund in excess of the expenditure limit. Provides for deposits into the fund from all revenues received in each fiscal year in excess of \$950M, referred to as the "base", as a result of the production or exploration of minerals. Allows the "base" to be increased every 10 years by law enacted with a 2/3 vote of the members of the legislature. Further provides for deposits into the fund as follows: (1) the greater of \$25M from any source or 25% of any money designated in the official forecast as nonrecurring revenue; (2) any additional monies appropriated by the legislature; and (3) monies received from the federal government for the reimbursement of costs associated with a federal disaster. Provides for uses of monies in the fund in cases of a budget deficit. Prohibits any appropriation or deposit into the fund which would cause the balance of the fund to exceed 4% of total state revenue receipts (the cap) for the previous fiscal year.

Proposed law retains the Budget Stabilization Fund as a special fund within the state treasury. Retains the provision requiring a deposit into the fund from all monies in excess of the expenditure limit. Retains the uses of monies in the fund in cases of a budget deficit.

Proposed law removes the provision in present law regarding deposits in excess of \$950M of mineral revenues and the provisions regarding the increase of the "base". Proposed law increases the cap to 7.5% of total state revenues for the previous fiscal year. Further requires all unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund. Provides that total state revenue receipts does not include any monies received by the state from the Federal Emergency Management Agency or other sources providing disaster relief assistance

## **Millennium Trust**

Present law (R.S. 39:98.1 et seq.) creates a special fund in the state treasury called the Millennium Trust. Provides for deposits into the fund from monies received as a result of the tobacco settlement, as well as any interest income and realized capital gains on investment of monies in the fund. Requires 75% of the tobacco settlement funds to be deposited into the Millennium Trust. Creates three special subfunds within the Millennium Trust: (1) the Health Excellence Fund; (2) the Education Excellence Fund; and (3) the TOPS Fund. Provides for the investment and use of monies in the fund. Proposed law makes technical changes and otherwise retains present law.

## **Louisiana Fund**

Present law (R.S. 39:98.4) creates a special fund in the state treasury called the Louisiana Fund. Provides for the remaining monies from the tobacco settlement (25%) after the deposit into the Millennium Trust, and all interest income. Provides for monies in the fund to be invested in the same manner as the state general fund. Provides for all unencumbered and unexpended monies in the fund to remain in the fund. Provides for appropriations from the fund not to exceed 50% of the total amount of monies appropriated from the fund in any fiscal year. Provides for purposes of appropriations from the fund. Proposed law retains present law.

Proposed law further provides for all unencumbered and unexpended monies in the fund at the end of the fiscal year to remain in the fund. Requires any change to the purposes of the fund or to any proposal for the expenditure of monies from the fund to be reviewed by the attorney general who shall report to the legislature on the effect of such change on the state's enforcement obligations pursuant to the tobacco settlement agreement.

### **Dedication of Mineral Revenues**

Present law (R.S. 39:100.116) provides for the dedication of mineral revenues to 13 separate funds, to the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana, and to the Revenue Stabilization Trust Fund.

Proposed law repeals the dedication of mineral revenues to the following: the Mineral Revenue Audit and Settlement Fund, the Transportation Trust Fund, the Revenue Stabilization Trust Fund, the Louisiana State Employees' Retirement System, and the Teachers' Retirement System of Louisiana. Retains the provisions in present law related to the dedication of mineral revenues to the Bond Security and Redemption Fund, the political subdivisions of the state, the Louisiana Wildlife and Fisheries Conservation Fund, the Oil and Gas Regulatory Dedicated Fund Account, the Rockefeller Wildlife Refuge and Game Preserve Fund, the Marsh Island Operating Fund, the Russell Sage or Marsh Island Refuge Fund, the MC Davis Conservation Fund, the White Lake Property Fund, the Louisiana Quality Education Trust Fund, the Louisiana Quality Education Support Fund, the Coastal Protection and Restoration Fund, and the Budget Stabilization Fund.

### **Revenue Stabilization Trust Fund**

Present law (R.S. 39:100.112) creates a special fund in the state treasury called the Revenue Stabilization Trust Fund. Deposits into the fund derive from mineral revenues, as provided by law, and revenues in excess of \$600M from corporate franchise and income tax. Further provides for allowable uses of monies in the fund when the balance is in excess of \$5B. Appropriations may be made from the fund in an amount not to exceed 10% of the fund balance for: (1) capital outlay projects and (2) transportation infrastructure. Allows for the minimum fund balance and the allowable percentage to be changed by law enacted with a 2/3 vote of the legislature. Provides for uses of monies in the fund during an emergency.

Proposed law retains the special fund in the state treasury, but changes the name to the Revenue Stabilization Fund. Removes all other present law provisions.

Proposed law directs the state treasurer to transfer monies from the Revenue Stabilization Fund to the Budget Stabilization Fund in an amount sufficient to bring the balance of the Budget Stabilization Fund equal to the 7.5% cap.

Proposed law authorizes monies in the fund to be used when revenues from corporate income tax collections fall below \$800M. Allows the legislature to appropriate an amount not to exceed the difference between the actual corporate income tax collections and \$800M. Provides that

unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund.

Proposed law will be repealed on July 1, 2029. Upon repeal, proposed law directs the treasurer to transfer any remaining monies in the fund to the state general fund, which shall then be recognized as nonrecurring revenues.

### **Coastal Protection and Restoration Fund**

Present law (R.S. 49:214.5.4) creates a special fund in the state treasury called the Coastal Protection and Restoration Fund. Provides for deposit, use, and investment of monies in the fund.

Proposed law requires the treasurer to deposit \$25 M of mineral revenues into the fund each fiscal year. Further provides that this amount will be adjusted by the percentage increase in the Consumer Price Index United States city average for all urban consumers (CPI-U) for the previous calendar year.

Repeals provisions in present law related to caps on deposits of mineral revenues into the fund. Proposed law makes technical changes and otherwise retains present law.

### **Artificial Reef Development Fund**

Present law (R.S. 51:639.8) creates a special fund in the state treasury called the Artificial Reef Development Fund. Provides for deposit, use, and investment of monies in the fund.

Proposed law adds siting, designing, and constructing of artificial reefs as an allowable use of monies in the fund. Requires the state treasurer to submit an annual report to the Dept. of Wildlife and Fisheries containing a statement of monies in the fund. Proposed law otherwise retains present law.

### **Repealed Funds**

Present law (R.S. 39:97) creates a special fund in the state treasury called the Mineral Revenue Audit and Settlement Fund. Provides for the deposit, use, and investment of monies in the fund. Proposed law repeals the Mineral Revenue Audit and Settlement Fund and directs the state treasurer to transfer any balance in the fund to the state general fund.

### **Louisiana State Law Institute**

Proposed law authorizes and directs the law institute to review all statutes which contain citations being changed by proposed law and the Act that originated as House Bill No. \_\_\_ of the 2025 Regular Session and to make corrections as necessary.

### **Effectiveness**

Except as noted below, repealed provisions of law and all other sections of this bill become effective

if and when the proposed amendment of Art. VII of the Constitution of La. that originated as House Bill No. \_\_\_ of the 2025 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

Proposed law regarding the Revenue Stabilization Fund shall become effective on July 1, 2027 if the proposed amendment of Art. VII of the Constitution of La. that originated as House Bill No. \_\_\_ of the 2025 Regular Session of the Legislature is adopted at a statewide election and becomes effective. The repeal of the Revenue Stabilization Fund becomes effective on July 1, 2029.

(Amends R.S. 30:86(A)(1) and 2483(B) through (E), R.S. 39:94(A), (B), and (C)(5), 98.1, 98.4(A) and (F), 100.116(A)(1) through (3), (9), (10), and (12) and (B), and 100.112, R.S. 49:214.5.4(B) through (J), and R.S. 51:639.8(C) and (E)(1); Adds R.S. 30:86(I) through (K) and 2483(F) and (G) and R.S. 51:639.8(H); Repeals R.S. 39:98.3(E), 100.116(A)(11) and (13), (C), and (D) and R.S. 49:214.5.4(K))