

2024 Third Extraordinary Session

HOUSE BILL NO. 15

BY REPRESENTATIVE EMERSON

FUNDS/FUNDING: Relative to the finances of the state (Items #16 and 21)

1 AN ACT

2 To amend and reenact R.S. 30:86(A)(1) and 2483(B) through (E), R.S.

3 39:94(A)(introductory paragraph) and (1) through (4), (B), and (C)(5), 98.1, 98.2(A)

4 and (E), 98.3(A), (C) and (D), 98.4(A), 100.112, 100.161(B)(3), R.S. 49:214.5.4(B)

5 and (E)(1), and R.S. 56:10(A) and (B)(1)(introductory paragraph), (c), and (e) and

6 639.8(C) and (E)(1), to enact R.S. 30:86(I) through (K) and 2483(F) and (G), R.S.

7 39:1401(D) and (E), and R.S. 56:10(B)(1)(d) and (E) and 639.8(H), and to repeal

8 R.S. 30:86(C), R.S. 39:97, 98.3(E), and 100.112, and R.S. 56:10(B)(1)(f) and (g),

9 relative to finances of the state; to provide for certain treasury funds; to provide for

10 the transfer, deposit, and use, as specified, of monies in certain treasury funds and

11 accounts; to provide for the investment of certain treasury funds and accounts; to

12 repeal certain treasury funds and accounts; to provide for the issuance of bonds; to

13 provide for the powers of the state bond commission; to provide for effectiveness;

14 and to provide for related matters.

15 Be it enacted by the Legislature of Louisiana:

16 Section 1. R.S. 30:86(A)(1) and 2483 (B) through (E) are hereby amended and

17 reenacted and R.S. 30:86 (I) through (K) and 2483 (F) and (G) are hereby enacted to read

18 as follows:

1 §86. Oilfield Site Restoration Fund

2 A.(1) There is hereby ~~established a fund in the custody of the state treasurer~~
3 created in the state treasury a special fund to be known as the Oilfield Site
4 Restoration Fund, hereafter referred to as the "fund", into which the state treasurer
5 shall, each fiscal year, deposit the revenues received from the collection of the
6 monies enumerated in Subsection D of this Section, after those revenues have been
7 deposited in the Bond Security and Redemption Fund.

8 * * *

9 I. All unexpended and unencumbered monies in the fund at the end of the
10 fiscal year shall remain in the fund. The monies in the fund shall be invested by the
11 treasurer in the manner provided by law. Interest earned on investment of monies
12 in the fund shall be deposited into the fund.

13 J. The state treasurer shall prepare and submit to the department on a
14 quarterly basis a printed report showing the amount of money contained in the fund
15 from all sources.

16 K. The provisions of this Section shall not apply to affect funds allocated by
17 Article VII, Section 8, Paragraphs (B) and (C).

18 * * *

19 §2483. Oil Spill Contingency Fund

20 * * *

21 B. There shall be established in the state treasury, as a special fund, the Oil
22 Spill Contingency Fund, hereinafter referred to as the "contingency fund". Out of
23 the funds remaining in the Bond Security and Redemption Fund after a sufficient
24 amount is allocated from that fund to pay all obligations secured by the full faith and
25 credit of the state which become due and payable within any fiscal year as required
26 by Article VII, Section 13(B) of the Constitution of Louisiana, the treasurer shall pay
27 into the contingency fund all of the following:

1 (1) All fees, taxes, penalties, judgments, reimbursements, charges, and
2 federal funds collected pursuant to the provisions of this Chapter, except as provided
3 by R.S. 30:2480.2.

4 (2) Any fees, taxes, penalties, reimbursements, charges, federal funds, or
5 other revenue enacted by the legislature for the purposes of abatement and
6 containment of actual or threatened unauthorized discharges of oil after November
7 23, 1995, shall be irrevocably dedicated and deposited in the contingency fund.

8 (3) All funds or revenues which may be donated expressly to the
9 contingency fund.

10 C. The monies in the contingency fund shall be appropriated by the
11 legislature to be used solely for the programs and purposes of abatement and
12 containment of actual or threatened unauthorized discharges of oil and for
13 administrative expenses associated with such programs and purposes, as provided
14 in this Part.

15 D. In order to fulfill the constitutional mandate of Article IX, Section 1 of
16 the Constitution of Louisiana to protect, conserve, and replenish the natural resources
17 of the state, the legislature hereby declares that sufficient funds shall be made
18 available to the Oil Spill Contingency Fund, in order for prevention of and response
19 to unauthorized discharges of oil.

20 ~~E.~~ E. The purpose of the fund is to immediately provide available funds for
21 response to all threatened or actual unauthorized discharges of oil, for clean up of
22 pollution from unauthorized discharges of oil, natural resources damages, damages
23 sustained by any state agency or political subdivision, and removal costs from
24 threatened, unauthorized discharges of oil.

25 ~~D. All fees, taxes, penalties, judgments, reimbursements, charges, and~~
26 ~~federal funds collected pursuant to the provisions of this Chapter, except as provided~~
27 ~~by R.S. 30:2480.2, shall be deposited immediately upon receipt into the state~~
28 ~~treasury.~~

1 E. ~~F.~~ After compliance with the requirements of Article VII, Section 9(B) of
 2 the Constitution of Louisiana relative to the Bond Security and Redemption Fund,
 3 and prior to monies being placed in the state general fund, an amount equal to that
 4 deposited, as required in Subsection D of this Section, and monies appropriated by
 5 the legislature shall be credited to a special fund hereby created in the state treasury
 6 to be known as the "Oil Spill Contingency Fund". The monies in this fund shall be
 7 used solely as provided in this Part and only in the amounts appropriated by the
 8 legislature. All unexpended and unencumbered monies in this fund at the end of the
 9 fiscal year shall remain in the fund. The monies in this fund shall be invested by the
 10 state treasurer in the same manner as monies in the state general fund, and interest
 11 earned on the investment of these monies shall remain in the fund.

12 G. The provisions of this Section shall not apply to or affect funds allocated
 13 by Article VII, Section 8, Paragraphs (B) and (C) of the Constitution of Louisiana.

14 Section 2. R.S. 39:94(A)(introductory paragraph) and (1) through (4), (B), and
 15 (C)(5), 98.1, 98.2 (A) and (E), 98.3(A), (C) and (D), 98.4(A), 100.161(B)(3) are hereby
 16 amended and reenacted and R.S. 39:1401(D) and (E) are hereby enacted to read as follows:

17 §94. Budget Stabilization Fund

18 A. There is hereby created in the state treasury a special fund to be
 19 designated as the Budget Stabilization Fund, hereafter referred to in this Section as
 20 the "fund", which shall consist of all money deposited into the fund in accordance
 21 with Article VII, Section ~~10.3~~ 15 of the Constitution of Louisiana. Money shall be
 22 deposited into the fund as follows:

23 (1) All money available for appropriation from the state general fund and
 24 dedicated funds in excess of the expenditure limit, except funds allocated by Article
 25 VII, Section ~~4~~ 8, Paragraphs ~~(D) and (E)~~ (B) and (C) of the Constitution of
 26 Louisiana, shall be deposited in the fund.

27 (2)(a) ~~All revenues received in each fiscal year by the state in excess of nine~~
 28 ~~hundred fifty million dollars, hereinafter referred to as the "base", as a result of the~~
 29 ~~production of or exploration for minerals, hereinafter referred to as "mineral~~

1 ~~revenues", including severance taxes, royalty payments, bonus payments, or rentals,~~
2 ~~and excluding such revenues designated as nonrecurring pursuant to Article VII,~~
3 ~~Section 10(B) of the Constitution of Louisiana, any such revenues received by the~~
4 ~~state as a result of grants or donations when the terms or conditions thereof require~~
5 ~~otherwise and revenues derived from any tax on the transportation of minerals, shall~~
6 ~~be deposited in the fund after the following allocations of said mineral revenues have~~
7 ~~been made:~~

8 ~~(i) To the Bond Security and Redemption Fund as provided by Article VII,~~
9 ~~Section 9(B) of the Constitution of Louisiana.~~

10 ~~(ii) To the political subdivisions of the state as provided in Article VII,~~
11 ~~Sections 4(D) and (E) of the Constitution of Louisiana.~~

12 ~~(iii) As provided by the requirements of Article VII, Sections 10-A and 10.1~~
13 ~~of the Constitution of Louisiana.~~

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

18 Beginning with Fiscal Year 2025-2026, fifteen percent of the corporation
19 income and franchise tax revenues received in each fiscal year as recognized by the
20 Revenue Estimating Conference and fifteen percent of mineral revenues, as provided
21 in R.S. 39:100.116. If the total amount of deposits required pursuant to this
22 Subparagraph cannot be deposited due to the prohibitions provided for in
23 Subparagraph (C)(5) of this Section, then the remaining monies shall be deposited
24 into the state general fund and incorporated into the official forecast as nonrecurring
25 for use as provided in Article VII, Section 14(D)(2) of the Constitution of Louisiana.

26 (b) For purposes of this Paragraph, the term "mineral revenues" shall include
27 severance taxes, royalty payments, bonus payments, and rentals. The term shall not
28 include:

1 §98.1. Creation of Funds; Millennium Trust

2 A.(1) There shall be established in the state treasury as a special permanent
3 trust fund known as the Millennium Trust. After allocation of money to the Bond
4 Security and Redemption Fund as provided in Article VII, Section ~~9(B)~~ (13)(B) of
5 the Constitution of Louisiana, the treasurer shall deposit in and credit to the
6 Millennium Trust certain monies received as a result of the Master Settlement
7 Agreement, hereinafter the "Settlement Agreement", executed November 23, 1998,
8 and approved by Consent Decree and Final Judgment entered in the case "Richard
9 P. Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris,
10 Incorporated, et al.", bearing Number 98-6473 on the docket of the Fourteenth
11 Judicial District for the parish of Calcasieu, state of Louisiana; and all dividend and
12 interest income and all realized capital gains on investment of monies in the
13 Millennium Trust. The treasurer shall deposit in and credit to the Millennium Trust
14 ~~the following amounts of monies received as a result of the Settlement Agreement:~~

15 ~~(1) Fiscal Year 2000-2001, forty-five percent of the total monies received~~
16 ~~that year.~~

17 ~~(2) Fiscal Year 2001-2002, sixty percent of the total monies received that~~
18 ~~year.~~

19 ~~(3) Fiscal Year 2002-2003 and each fiscal year thereafter, seventy-five~~
20 ~~percent of the total monies received that year. each fiscal year as a result of the~~
21 ~~Settlement Agreement. However, beginning in Fiscal Year 2011-2012 after the~~
22 ~~balance in the Millennium Trust reaches a total of one billion three hundred eighty~~
23 ~~million dollars, the The monies deposited in and credited to the Millennium Trust,~~
24 ~~received by the state as a result of the Settlement Agreement, shall be allocated to~~
25 ~~the various funds within the Millennium Trust as provided in Subsections B, C, and~~
26 ~~D of this Section TOPS Fund.~~

27 ~~(4) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~
28 ~~2002-2003, ten percent of the total monies received in each of those years for credit~~

1 to the Education Excellence Fund which, notwithstanding the provisions of R.S.
2 39:98.3(A), shall be appropriated for the purposes provided in R.S. 39:98.3(C)(4).

3 B.(1) The Health Excellence Fund shall be established as a special fund
4 within the Millennium Trust. The treasurer shall credit to the Health Excellence Fund
5 ~~one-third of the Settlement Agreement proceeds deposited each year into the~~
6 ~~Millennium Trust and one-third~~ one-half of all dividend and interest income and all
7 realized capital gains on investment of monies in the Millennium Trust. The
8 treasurer shall report annually to the legislature as to the amount of Millennium Trust
9 investment earnings credited to the Health Excellence Fund.

10 (2) ~~Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~
11 ~~treasurer shall credit to the Health Excellence Fund one-third of all dividend and~~
12 ~~interest income and all realized capital gains on investment of monies in the~~
13 ~~Millennium Trust.~~

14 (3) ~~Beginning July 1, 2012, after~~ After allocation of money to the Bond
15 Security and Redemption Fund as provided in Article VII, Section ~~9(B)~~ 13(B) of the
16 Constitution of Louisiana, the treasurer shall deposit in and credit to the Health
17 Excellence Fund the revenues derived from the tax imposed by R.S. 47:841(B)(3).

18 C.(1) ~~The Education Excellence Fund shall be established in the state~~
19 ~~treasury as a special fund within the Millennium Trust. The treasurer shall credit to~~
20 ~~the Education Excellence Fund one-third of the Settlement Agreement proceeds~~
21 ~~deposited into the Millennium Trust and one-third of all dividend and interest~~
22 ~~income and all realized capital gains on investment of monies in the Millennium~~
23 ~~Trust.~~

24 (2) ~~Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~
25 ~~treasurer shall credit to the Education Excellence Fund one-third of all dividend and~~
26 ~~interest income and all realized capital gains on investment of monies in the~~
27 ~~Millennium Trust.~~

28 D.(1) The TOPS Fund shall be established in the state treasury as a special
29 fund within the Millennium Trust. The treasurer shall credit to the TOPS Fund ~~one-~~

1 ~~third of the Settlement Agreement proceeds deposited into the Millennium Trust and~~
2 ~~one-third of all dividend and interest income and all realized capital gains on~~
3 ~~investment of monies in the Millennium Trust.~~

4 (2) ~~Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~
5 ~~treasurer shall credit to the TOPS Fund one hundred percent of the Settlement~~
6 ~~Agreement proceeds deposited into the Millennium Trust and ~~one-third~~ one-half of~~
7 ~~all dividend and interest income and all realized capital gains on investment of~~
8 ~~monies in the Millennium Trust. The treasurer shall report annually to the legislature~~
9 ~~as to the amount of Millennium Trust settlement agreement proceeds investment~~
10 ~~earnings credited to the TOPS Fund.~~

11 (3) ~~Upon the effective date of this Section, the state treasurer shall deposit,~~
12 ~~transfer, or otherwise credit funds in an amount equal to such Settlement Agreement~~
13 ~~proceeds deposited in and credited to the Millennium Trust received by the state~~
14 ~~between April 1, 2011, and the effective date of this Section to the TOPS Fund.~~

15 D. Monies credited to the Millennium Trust pursuant to Subsection A of this
16 Section shall be invested by the treasurer. A portion of the monies, not to exceed
17 thirty-five percent, may be invested in stock. However, the portion of monies in the
18 Millennium Trust which may be invested in stock may be increased to no more than
19 fifty percent by a specific legislative instrument which receives a favorable vote of
20 two-thirds of the elected members of each house of the legislature. The legislature
21 shall provide for procedures for the investment of such monies as provided in R.S.
22 39:98.2. The treasurer may contract, subject to the approval of the State Bond
23 Commission, for the management of such investments and, if a contract is entered
24 into, amounts necessary to pay the costs of the contract shall be appropriated from
25 the Millennium Trust.

26 §98.2. Investment of Millennium Trust

27 A. The treasurer is authorized and directed to invest monies in the
28 Millennium Trust which are available for investment in ~~the investments permitted~~
29 ~~for the Louisiana Education Quality Trust Fund, also known as the Kevin P. Reilly~~

1 Sr. Louisiana Education Quality Trust Fund, as set forth in R.S. 17:3803(B), (D), and
2 (E): any of the following:

3 (1) Time certificates of deposit of state banks organized under the laws of
4 Louisiana, national banks having their principal offices in the state of Louisiana,
5 savings accounts or shares of savings and loan associations and savings banks, as
6 defined by R.S. 6:703, or share accounts and share certificate accounts of federally
7 or state-chartered credit unions. The funds so invested shall not exceed at any time
8 the amount insured by the Federal Deposit Insurance Corporation (FDIC) in any one
9 savings and loan association and shall not exceed at any time the amount insured by
10 the National Credit Union Administration, or other deposit insurance corporation, in
11 any one credit union, unless the uninsured portion is collateralized by the pledge of
12 securities in the manner provided by R.S. 49:321.

13 (2) Direct obligations of the United States government, a United States
14 government agency, a United States government instrumentality, or a United States
15 government-sponsored enterprise, the timely payment of the principal and interest
16 of which is fully and explicitly guaranteed by the full faith and credit of the
17 government of the United States of America, and contained in a list promulgated by
18 the state treasurer.

19 (3) Direct obligations of a United States government agency, United States
20 government instrumentality, or United States government-sponsored enterprise, the
21 timely payment of principal and interest of which is fully guaranteed by the issuing
22 entity, but are not explicitly guaranteed by the full faith and credit of the government
23 of the United States, and contained in a list promulgated by the state treasurer.

24 (4) Stocks of any corporation listed on the New York Stock Exchange, the
25 American Stock Exchange, the National Association of Securities Dealers
26 Automated Quotations System, or other such stock exchange domiciled in the United
27 States and registered with the United States Securities and Exchange Commission,
28 provided that the total investment in such stocks at any one time shall not exceed

1 thirty-five percent of the market value of all funds held by the treasurer in the
2 Millennium Trust.

3 (5)(a) Investment grade commercial paper issued in the United States, traded
4 in the United States markets, denominated in United States dollars, with a short-term
5 rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1 by
6 Moody's Investor Service, Inc. or the equivalent rating by a nationally recognized
7 statistical rating organization.

8 (b) Investment grade corporate notes and bonds issued in the United States,
9 traded in United States markets, denominated in United States dollars, rated BAA or
10 better by Moody's Investor Service, Inc., or BBB or better by Standard & Poor's
11 Financial Services LLC, and the trades of which are settled through The Depository
12 Trust & Clearing Corporation, a national clearinghouse in the United States for the
13 settlement of securities trades.

14 (6) Money market funds consisting solely of securities otherwise eligible for
15 investment by the treasurer pursuant to this Section.

16 (7) Open end mutual funds, closed end mutual funds, and unit investment
17 trusts consisting solely of securities otherwise eligible for investment by the state
18 treasurer.

19 (8)(a) Tax exempt bonds and other taxable governmental bonds. In addition
20 to all other investment authority related to the Millennium Trust, the state treasurer
21 may invest in tax exempt bonds as defined in R.S. 49:342(C) and in taxable bonds
22 issued by any state or a political subdivision or public corporation of any state,
23 provided that such taxable bonds are rated at the time the investment is made by a
24 nationally recognized rating agency in one of the three highest rating categories of
25 that rating agency.

26 (b) Bonds, debentures, notes, or other similar obligations issued in the
27 United States market, denominated in United States dollars and are the direct legal
28 obligations of a foreign nation which the International Monetary Fund lists as an
29 industrial country, for which investments in and/or business transactions with are not

1 prohibited or restricted by any law, regulation, or rule of the United States or the
 2 state of Louisiana, and for which the full faith and credit of such nation has been
 3 pledged for the payment of principal and interest; provided that any such security
 4 shall be rated at least A- or better by Standard & Poor's Corporation or A3 or better
 5 by Moody's, Inc., or an equivalent investment grade by a securities ratings
 6 organization accepted by the National Association of Insurance Commissioners; and,
 7 provided further that the total investment in such foreign securities at any one time
 8 shall not exceed five percent of the market value of all investments held by the
 9 treasurer in the Millennium Trust, or any other fund or investment of funds subject
 10 to this investment authority.

11 (9) Any investment managers hired on a contract basis to advise the treasurer
 12 regarding such investments shall be selected by the treasurer, subject to the approval
 13 of the State Bond Commission, in accordance with a request for proposal process
 14 using strict selection criteria based on sound industry principles. The contract, as
 15 approved by the State Bond Commission, shall be on a fee, together with minimum
 16 exchange fee, basis or on a commission basis only. The state treasurer shall adopt
 17 and promulgate rules and regulations for such investments and for the selection of
 18 outside investment managers.

19 (10) Open-end mutual funds, closed-end mutual funds, exchange traded
 20 funds, and unit investment trusts consisting solely of international securities
 21 constructed to match or track the components of a market index provided by globally
 22 recognized index providers, including but not limited to MSCI, FTSE, Dow Jones,
 23 Standard & Poor's, Barclays, Citigroup, or any of their affiliates or successors and
 24 assigns; however, the total investment in any and all such index funds at any one
 25 time shall not exceed ten percent of the market value of all funds held by the
 26 treasurer in the Millennium Trust. Nothing in this Subparagraph shall be construed
 27 to allow the state treasurer to invest directly in the common stock of foreign
 28 companies known to do business with nations that support terrorism.

29 * * *

1 E. On or before December first of each year, the treasurer shall prepare and
 2 submit a report on the performance of the Millennium Trust to the Joint Legislative
 3 Committee on the Budget and the commissioner of administration for their review.
 4 ~~With respect to the Education Excellence Fund, the report shall also be provided to~~
 5 ~~the state superintendent of education.~~

6 §98.3. Appropriations from the Health Excellence Fund, ~~the Education Excellence~~
 7 ~~Fund~~, and the TOPS Fund

8 A.(1) ~~Appropriations from the Education Excellence Fund shall be limited~~
 9 ~~to an annual amount not to exceed the estimated aggregate annual earnings from~~
 10 ~~interest, dividends, and realized capital gains on investment of the Millennium Trust~~
 11 ~~allocated as provided by R.S. 39:98.1(B) and (C) as recognized by the Revenue~~
 12 ~~Estimating Conference. Amounts determined to be available for appropriation shall~~
 13 ~~be those aggregate investment earnings which are in excess of an inflation factor as~~
 14 ~~determined by the Revenue Estimating Conference. The amount of estimated~~
 15 ~~aggregate investment earnings available for appropriation shall be determined by~~
 16 ~~subtracting the product of the inflation factor multiplied by the amount of aggregate~~
 17 ~~investment earnings for the previous fiscal year from the amount of such estimated~~
 18 ~~aggregate investment earnings. The amount of realized capital gains on investment~~
 19 ~~which may be included in the aggregate earnings available for appropriation from the~~
 20 ~~Millennium Trust in any fiscal year shall not exceed the aggregate of earnings from~~
 21 ~~interest and dividends for that year.~~

22 ~~(2)(a) For Fiscal Year 2011-2012 appropriations from the Health Excellence~~
 23 ~~Fund shall be limited to an annual amount not to exceed the estimated aggregate~~
 24 ~~annual earnings from interest, dividends, and realized capital gains on investment of~~
 25 ~~the trust and credited to the Health Excellence Fund as provided by R.S.~~
 26 ~~39:98.1(B)(2) and as recognized by the Revenue Estimating Conference.~~

27 ~~(b) For Fiscal Year 2012-2013, and For each fiscal year thereafter,~~
 28 appropriations from the Health Excellence Fund shall be limited to an annual amount
 29 not to exceed the estimated aggregate annual earnings from interest, dividends, and

1 realized capital gains on investment of the trust and credited to the Health Excellence
 2 Fund as provided by ~~R.S. 39:98.1(B)(2)~~ R.S. 39:98.1(B)(1) and as recognized by the
 3 Revenue Estimating Conference and the amount of proceeds credited to and
 4 deposited into the Health Excellence Fund as provided by ~~R.S. 39:98.1(B)(3)~~ R.S.
 5 39:98.1(B)(2).

6 ~~(3)(a) For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall~~
 7 ~~be limited to the amount of Settlement Agreement proceeds credited to and deposited~~
 8 ~~into the TOPS Fund as provided by R.S. 39:98.1(D)(2) and (3), and an annual~~
 9 ~~amount not to exceed the estimated aggregate annual earnings from interest,~~
 10 ~~dividends, and realized capital gains on investment of the trust and credited to the~~
 11 ~~TOPS Fund as provided by R.S. 39:98.1(D)(2) and as recognized by the Revenue~~
 12 ~~Estimating Conference.~~

13 ~~(b) (2)(a) For Fiscal Year 2012-2013, and each fiscal year thereafter,~~
 14 ~~appropriations from the TOPS Fund shall be limited to the amount of annual~~
 15 ~~Settlement Agreement proceeds credited to and deposited into the TOPS Fund as~~
 16 ~~provided in R.S. 39:98.1(D)(2) R.S. 39:98.1(C), and an annual amount not to exceed~~
 17 ~~the estimated aggregate annual earnings from interest, dividends, and realized capital~~
 18 ~~gains on investment of the trust and credited to the TOPS Fund as provided in R.S.~~
 19 ~~39:98.1(D)(2) R.S. 39:98.1(C) and as recognized by the Revenue Estimating~~
 20 ~~Conference.~~

21 ~~(c) For Fiscal Year 2011-2012, and each fiscal year thereafter, (b) The~~
 22 ~~amounts determined to be available for appropriation from the TOPS Fund from~~
 23 ~~interest earnings shall be those aggregate investment earnings which are in excess~~
 24 ~~of an inflation factor as determined by the Revenue Estimating Conference. The~~
 25 ~~amount of realized capital gains on investment which may be included in the~~
 26 ~~aggregate earnings available for appropriation in any year shall not exceed the~~
 27 ~~aggregate of earnings from interest and dividends for that year.~~

28 ~~(4) (3) Actual earnings from interest, dividends, and capital gains during the~~
 29 ~~fiscal year in excess of the amounts estimated as available for appropriation shall be~~

1 credited to the appropriate fund and available for appropriation in subsequent years.
2 Appropriations from the Health Excellence Fund, ~~the Education Excellence Fund,~~
3 and the TOPS Fund shall include performance expectations to ensure accountability
4 in the expenditure of such monies.

5 * * *

6 C. Appropriations from the Education Excellence Fund shall be restricted as
7 follows:

8 (1) ~~Fifteen percent of monies available for appropriation in any fiscal year~~
9 ~~from the Education Excellence Fund shall be appropriated to the state superintendent~~
10 ~~of education for distribution on behalf of all children attending private elementary~~
11 ~~and secondary schools that have been approved by the State Board of Elementary~~
12 ~~and Secondary Education, both academically and as required for such school to~~
13 ~~receive money from the state.~~

14 (2) ~~Appropriations shall be made each year to the Louisiana School for the~~
15 ~~Deaf, the Louisiana School for the Visually Impaired, the Jimmy D. Long, Sr.~~
16 ~~Louisiana School for Math, Science, and the Arts, the New Orleans Center for~~
17 ~~Creative Arts and the Louis Armstrong High School for the Arts, after such schools~~
18 ~~are operational, to provide for a payment to each school of seventy-five thousand~~
19 ~~dollars plus an allocation for each pupil equal to the average statewide per pupil~~
20 ~~amount provided each city, parish, and local school system pursuant to Paragraphs~~
21 ~~(4) and (5) of this Subsection.~~

22 (3) ~~Appropriations may be made for independent public schools which have~~
23 ~~been approved by the State Board of Elementary and Secondary Education or any~~
24 ~~city, parish, or other local school system, and alternative schools and programs~~
25 ~~which are authorized and approved by the State Board of Elementary and Secondary~~
26 ~~Education and are not subject to the jurisdiction and management of any city, parish,~~
27 ~~or local school systems to provide for an allocation for each pupil, which shall be the~~
28 ~~average statewide per pupil amount provided in each city, parish, or local school~~
29 ~~system pursuant to Paragraphs (4) and (5) of this Subsection.~~

1 ~~(4) Beginning Fiscal Year 2000-2001 and for each fiscal year through the~~
2 ~~end of Fiscal Year 2006-2007, of the monies available for appropriation after~~
3 ~~providing for the purposes enumerated in Paragraphs (1), (2), and (3) of this~~
4 ~~Subsection, the following appropriations shall be made to the state superintendent~~
5 ~~of education for distribution as follows:~~

6 ~~(a) Thirty percent of the funds available to be divided equally among each~~
7 ~~city, parish, and other local school system.~~

8 ~~(b) Seventy percent of the funds available to be divided among each city,~~
9 ~~parish, and other local school system in amounts which are proportionate to each~~
10 ~~school's share of the total state share of the Minimum Foundation Program~~
11 ~~appropriation as contained in the most recent Minimum Foundation Program budget~~
12 ~~letter approved by the State Board of Elementary and Secondary Education.~~

13 ~~(5) Beginning Fiscal Year 2007-2008 and for each year thereafter, of the~~
14 ~~monies available for appropriation after providing for the purposes enumerated in~~
15 ~~Paragraphs (1), (2), and (3) of this Subsection, one hundred percent of the monies~~
16 ~~available for appropriation in any fiscal year from the Education Excellence Fund~~
17 ~~shall be distributed to each city, parish, or other local school system, to be~~
18 ~~apportioned to the recipient entities on a pro rata basis which is based on the ratio of~~
19 ~~the student population of that school or school system to that of the total state student~~
20 ~~population.~~

21 ~~(6) Monies appropriated pursuant to this Subsection shall be restricted to~~
22 ~~expenditure for prekindergarten through twelfth grade instructional enhancement for~~
23 ~~students, including early childhood education programs focused on enhancing the~~
24 ~~preparation of at-risk children for school, remedial instruction and assistance to~~
25 ~~children who fail to achieve the required scores on any tests passage of which are~~
26 ~~required pursuant to state law or rule for advancement to a succeeding grade, or other~~
27 ~~educational programs approved by the legislature. Expenditures for maintenance or~~
28 ~~renovation of buildings, capital improvements, and increases in employee salaries~~

1 are prohibited. The state superintendent of education shall be responsible for
2 receiving and allocating all money due private schools.

3 (7) Each recipient school or school system shall annually prepare and submit
4 to the state Department of Education, hereinafter the "department", a prioritized plan
5 for expenditure of funds it expects to receive in the coming year from the Education
6 Excellence Fund. The plan shall include performance expectations to ensure
7 accountability in the expenditure of such monies. The department shall review such
8 plans for compliance with the requirements of this Subsection and to assure that the
9 expenditure plans will support excellence in educational practice. No funds may be
10 distributed to any school system until its plan has been approved by the department
11 and by the appropriate standing committees of the legislature.

12 (8) No amount appropriated as required in this Subsection shall displace,
13 replace, or supplant appropriations from the general fund for elementary and
14 secondary education, including implementing the Minimum Foundation Program.
15 This Paragraph shall mean that no appropriation for any fiscal year from the
16 Education Excellence Fund shall be made for any purpose for which a general fund
17 appropriation was made the previous year unless the total appropriations for the
18 fiscal year from the state general fund for such purpose exceeds general fund
19 appropriations of the previous year. Nor shall any money allocated to a city or parish
20 school board pursuant to this Section displace, replace, or supplant locally generated
21 revenue, meaning that no allocation to any city or parish school board from the
22 investment earnings attributable to the Education Excellence Fund shall be expended
23 for any purpose for which a local revenue source was expended the previous fiscal
24 year unless the total of the local revenue amount expended that fiscal year exceeds
25 the total of such local revenue amounts for the previous year.

26 (9) The treasurer shall maintain within the state treasury a record of the
27 amounts appropriated and credited for each entity through appropriations authorized
28 in this Subsection and which remain in the state treasury. Such amounts, and
29 investment earnings attributable to such amounts, shall remain to the credit of each

1 ~~recipient entity at the close of each fiscal year. The treasurer is authorized to honor~~
2 ~~warrants drawn for withdrawal of such monies, inclusive of fund balances and~~
3 ~~interest earnings, from any individual school or school district account subject to the~~
4 ~~requirements of Article VII, Section 10.8(C)(3)(g) of the Constitution of Louisiana.~~

5 ~~D.~~ Appropriations from the TOPS Fund shall be restricted to support of the
6 state's program for financial assistance for students attending Louisiana institutions
7 of postsecondary education as established in Chapter 50 of Title 17 of the Louisiana
8 Revised Statutes of 1950.

9 ~~E.~~ D. Recommendations and requests for expenditure or funding from the
10 Health Excellence Fund and TOPS Fund shall be made in accordance with the
11 provisions of R.S. 39:98.4(C) through (F).

12 §98.4. Louisiana Fund

13 A. There shall be established in the state treasury as a special fund the
14 Louisiana Fund hereinafter the "Fund". After allocation of money to the Bond
15 Security and Redemption Fund as provided in Article VII, Section ~~9(B)~~ 13(B) of the
16 Constitution of Louisiana, the treasurer shall deposit in and credit to the Fund all
17 money remaining after deposit of monies into the Millennium Trust, which is
18 received as a result of the Master Settlement Agreement, hereinafter the "Settlement
19 Agreement", executed November 23, 1998, and approved by Consent Decree and
20 Final Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex rel.
21 State of Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-6473
22 on the docket of the Fourteenth Judicial District for the parish of Calcasieu, state of
23 Louisiana; and all interest income on investment of monies in the Fund. Monies in
24 the Fund shall be invested by the treasurer in the same manner as monies in the state
25 general fund. All unencumbered and unexpended monies in the ~~Fund~~ fund at the end
26 of the fiscal year shall remain in the ~~Fund~~ fund.

27 * * *

28 §100.161. Louisiana Unclaimed Property Permanent Trust Fund

29 * * *

1 B.

2 * * *

3 (3)(a) Subject to the limitations provided in this Subsection, the state
4 treasurer may invest the monies deposited in and credited to the UCP Permanent
5 Trust Fund ~~in the same manner as authorized for the Louisiana Education Quality~~
6 ~~Trust Fund as set forth in R.S. 17:3803.~~ any of the following:

7 (i) Time certificates of deposit of state banks organized under the laws of
8 Louisiana, national banks having their principal offices in the state of Louisiana,
9 savings accounts or shares of savings and loan associations and savings banks, as
10 defined by R.S. 6:703, or share accounts and share certificate accounts of federally
11 or state-chartered credit unions. The funds so invested shall not exceed at any time
12 the amount insured by the Federal Deposit Insurance Corporation (FDIC) in any one
13 savings and loan association and shall not exceed at any time the amount insured by
14 the National Credit Union Administration, or other deposit insurance corporation, in
15 any one credit union, unless the uninsured portion is collateralized by the pledge of
16 securities in the manner provided by R.S. 49:321.

17 (ii) Direct obligations of the United States government, a United States
18 government agency, a United States government instrumentality, or a United States
19 government-sponsored enterprise, the timely payment of the principal and interest
20 of which is fully and explicitly guaranteed by the full faith and credit of the
21 government of the United States of America, and contained in a list promulgated by
22 the state treasurer.

23 (iii) Direct obligations of a United States government agency, United States
24 government instrumentality, or United States government-sponsored enterprise, the
25 timely payment of principal and interest of which is fully guaranteed by the issuing
26 entity, but are not explicitly guaranteed by the full faith and credit of the government
27 of the United States, and contained in a list promulgated by the state treasurer.

28 (iv) Stocks of any corporation listed on the New York Stock Exchange, the
29 American Stock Exchange, the National Association of Securities Dealers

1 Automated Quotations System, or other such stock exchange domiciled in the United
2 States and registered with the United States Securities and Exchange Commission,
3 provided that the total investment in such stocks at any one time shall not exceed
4 thirty-five percent of the market value of all funds held by the treasurer in the
5 Millennium Trust.

6 (v)(aa) Investment grade commercial paper issued in the United States,
7 traded in the United States markets, denominated in United States dollars, with a
8 short-term rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1
9 by Moody's Investor Service, Inc., or the equivalent rating by a nationally recognized
10 statistical rating organization.

11 (bb) Investment grade corporate notes and bonds issued in the United States,
12 traded in United States markets, denominated in United States dollars, rated BAA or
13 better by Moody's Investor Service, Inc., or BBB or better by Standard & Poor's
14 Financial Services LLC, and the trades of which are settled through The Depository
15 Trust & Clearing Corporation, a national clearinghouse in the United States for the
16 settlement of securities trades.

17 (vi) Money market funds consisting solely of securities otherwise eligible
18 for investment by the treasurer pursuant to this Section.

19 (vii) Open end mutual funds, closed end mutual funds, and unit investment
20 trusts consisting solely of securities otherwise eligible for investment by the state
21 treasurer.

22 (viii) Tax exempt bonds and other taxable governmental bonds. In addition
23 to all other investment authority related to the Millennium Trust, the state treasurer
24 may invest in tax exempt bonds as defined in R.S. 49:342(C), and in taxable bonds
25 issued by any state or a political subdivision or public corporation of any state,
26 provided that such taxable bonds are rated at the time the investment is made by a
27 nationally recognized rating agency in one of the three highest rating categories of
28 that rating agency.

1 (ix) Bonds, debentures, notes, or other similar obligations issued in the
2 United States market, denominated in United States dollars and are the direct legal
3 obligations of a foreign nation which the International Monetary Fund lists as an
4 industrial country, for which investments in and/or business transactions with are not
5 prohibited or restricted by any law, regulation, or rule of the United States or the
6 state of Louisiana, and for which the full faith and credit of such nation has been
7 pledged for the payment of principal and interest; provided that any such security
8 shall be rated at least A- or better by Standard & Poor's Corporation or A3 or better
9 by Moody's, Inc., or an equivalent investment grade by a securities ratings
10 organization accepted by the National Association of Insurance Commissioners; and,
11 provided further that the total investment in such foreign securities at any one time
12 shall not exceed five percent of the market value of all investments held by the
13 treasurer in the Millennium Trust, or any other fund or investment of funds subject
14 to this investment authority.

15 (x) Any investment managers hired on a contract basis to advise the treasurer
16 regarding such investments shall be selected by the treasurer, subject to the approval
17 of the State Bond Commission, in accordance with a request for proposal process
18 using strict selection criteria based on sound industry principles. The contract, as
19 approved by the State Bond Commission, shall be on a fee, together with minimum
20 exchange fee, basis or on a commission basis only. The state treasurer shall adopt
21 and promulgate rules and regulations for such investments and for the selection of
22 outside investment managers.

23 (xi) Open-end mutual funds, closed-end mutual funds, exchange traded
24 funds, and unit investment trusts consisting solely of international securities
25 constructed to match or track the components of a market index provided by globally
26 recognized index providers, including but not limited to MSCI, FTSE, Dow Jones,
27 Standard & Poor's, Barclays, Citigroup, or any of their affiliates or successors and
28 assigns; however, the total investment in any and all such index funds at any one
29 time shall not exceed ten percent of the market value of all funds held by the

1 treasurer in the Millennium Trust. Nothing in this Subparagraph shall be construed
2 to allow the state treasurer to invest directly in the common stock of foreign
3 companies known to do business with nations that support terrorism.

4 (b) Investments made under authority of this Section shall mature on such
5 date or dates determined by the state treasurer in the exercise of prudent judgment
6 as will generate a favorable return to the state and will allow the monies to be
7 available for use at the time needed. The state treasurer shall prepare and submit for
8 approval a plan for such investments to the Board of Regents and the State Board of
9 Elementary and Secondary Education and the State Bond Commission. The state
10 treasurer shall report annually to the Joint Legislative Committee on the Budget, the
11 House Committee on Education, and the Senate Committee on Education on the
12 activity of such investments.

13 (c) Banks issuing time certificates of deposit under authority of this Section
14 shall pay interest at a rate not less than the rate determined by the United States
15 Treasury to have been the average interest rate plus one percent per annum on the
16 last previous sale of treasury bills with the same length of maturity; provided that if
17 at any time the interest rate so determined is in excess of the maximum rate banks
18 are permitted to pay on time certificates of deposit for the same period of time by
19 regulations of the Federal Reserve System or the Federal Deposit Insurance
20 Corporation, the interest rate shall be the maximum established by those regulations.

21 * * *

22 §1401. State Bond Commission

23 * * *

24 D. No bonds or other obligations shall be issued or sold by the state, directly
25 or through any state board, agency, or commission, or by any political subdivision
26 of the state, unless prior written approval of the bond commission is obtained.

27 E. Bonds, notes, certificates, or other evidences of indebtedness of the state,
28 hereafter referred to as "bonds", shall not be invalid because of any irregularity or
29 defect in the proceedings or in the issuance and sale thereof and shall be

1 incontestable in the hands of a bona fide purchaser or holder. The issuing agency,
 2 after authorizing the issuance of bonds by resolution, shall publish once in the
 3 official journal of the state, as provided by law, a notice of intention to issue the
 4 bonds. The notice shall include a description of the bonds and the security therefor.
 5 Within thirty days after the publication, any person in interest may contest the
 6 legality of the resolution, any provision of the bonds to be issued pursuant to it, the
 7 provisions securing the bonds, and the validity of all other provisions and
 8 proceedings relating to the authorization and issuance of the bonds. If no action or
 9 proceeding is instituted within the thirty days, no person may contest the validity of
 10 the bonds, the provisions of the resolution pursuant to which the bonds were issued,
 11 the security of the bonds, or the validity of any other provisions or proceedings
 12 relating to their authorization and issuance, and the bonds shall be presumed
 13 conclusively to be legal. Thereafter no court shall have authority to inquire into such
 14 matters.

* * *

15 Section 3. R.S. 39:100.112 is hereby amended and reenacted to read as follows:

16 §100.112. Revenue Stabilization ~~Trust~~ Fund

17 A. There is hereby established in the state treasury a special ~~trust~~ fund, the
 18 Revenue Stabilization ~~Trust~~ Fund, hereinafter referred to as the "fund".

19 B. ~~After allocation of money to the Bond Redemption and Security Fund as~~
 20 ~~provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer~~
 21 ~~shall deposit in and credit to the fund the revenues as provided for in Subsections C~~
 22 ~~and D of this Section. Monies in the fund shall only be used for the following~~
 23 ~~purposes:~~

24 (1) In accordance with Article VII, Section 35 of the Constitution of
 25 Louisiana and R.S. 47:1703(B), a one-time payment shall be made to each parish that
 26 elects to irrevocably exempt business inventory from ad valorem tax prior to July 1,
 27 2026. The payment shall be made by the treasurer to the ad valorem tax collector
 28 within thirty days of receipt of a certification from the secretary of the Department
 29

1 of Revenue that the parish has irrevocably elected to exempt business inventory from
2 ad valorem tax.

3 (2) In any fiscal year in which the revenues received from corporation income
4 tax collections, as recognized by the Revenue Estimating Conference, fall below
5 eight hundred million dollars, the legislature may appropriate an amount not to
6 exceed the difference between actual corporation income tax collections and eight
7 hundred million from the Revenue Stabilization Fund.

8 C. The treasurer shall deposit into the fund the amount of mineral revenues
9 as provided in R.S. 39:100.116 Unexpended and unencumbered monies in the fund
10 at the end of the fiscal year shall remain in the fund.

11 ~~D. The treasurer shall deposit into the fund the amount of revenues in excess~~
12 ~~of six hundred million dollars received each fiscal year from corporate franchise and~~
13 ~~income taxes as recognized by the Revenue Estimating Conference.~~

14 ~~E.(1) Except as provided for in Subsection F of this Section, monies~~
15 ~~deposited into the Revenue Stabilization Trust Fund shall be permanently credited~~
16 ~~to the trust fund and shall be invested by the treasurer in the same manner as~~
17 ~~investments of the Millennium Trust, as provided in R.S. 39:98.2.~~

18 ~~(2) The treasurer shall deposit all interest or other income from investment~~
19 ~~on the fund into the state general fund.~~

20 ~~F.(1) Except as provided in Paragraphs (2) and (3) of this Subsection, no~~
21 ~~appropriations shall be made from the Revenue Stabilization Trust Fund.~~

22 ~~(2)(a) In any fiscal year in which the balance of the fund at the beginning of~~
23 ~~the year is in excess of five billion dollars, hereinafter referred to as the minimum~~
24 ~~fund balance, the legislature may appropriate an amount not to exceed ten percent~~
25 ~~of the fund balance, hereinafter referred to as the allowable percentage, for the~~
26 ~~following:~~

27 ~~(i) Capital outlay projects in the comprehensive state capital budget.~~

28 ~~(ii) Transportation infrastructure.~~

1 (3) As provided by the requirements of ~~Article VII, Sections 10-A and 10.1~~
2 ~~of the Constitution of Louisiana~~ R.S. 56:10.

3 * * *

4 E.(1) Subject to Article VII, ~~Sections 9(B) and 10.1~~ Section 13(B) of the
5 Constitution of Louisiana, in each fiscal year, the federal revenues that are received
6 by the state generated from Outer Continental Shelf oil and gas activity and eligible,
7 as provided by federal law, to be used for the purposes provided in this Subsection
8 shall be deposited and credited by the treasurer to the Coastal Protection and
9 Restoration Fund.

10 * * *

11 Section 5. R.S. 56:10(A) and (B)(1)(introductory paragraph), (c), and (e) and
12 639.8(C) and (E)(1) are hereby amended and reenacted and R.S. 56:10(B)(1)(d) and (E) and
13 639.8(H) are hereby enacted to read as follows:

14 §10. Annual report to governor; estimate of proposed expenditures; particular funds;
15 limitations on purposes for use of monies in particular funds and accounts;
16 warrants; vouchers; surplus funds

17 A. ~~On or before the first Monday in April of each year the commission shall~~
18 ~~prepare and present to the governor a printed annual report showing the operations~~
19 ~~of the commission since the date of its last annual report, showing the amount of~~
20 ~~money received by it and from what sources, and showing the amount of money~~
21 ~~expended by it and for what purposes. In each annual report immediately preceding~~
22 ~~the regular session of the legislature the commission shall include an estimate of~~
23 ~~proposed expenditures and the expenses for the ensuing year, its prospective~~
24 ~~revenues and any recommendations for legislative action. The governor shall lay~~
25 ~~copies of the report before the succeeding legislature. At each regular session the~~
26 ~~legislature shall appropriate such funds as it deems wise for the continuation of the~~
27 ~~work of the commission.~~ There shall be established in the state treasury, as a special
28 fund, the Louisiana Wildlife and Fisheries Conservation Fund, hereinafter referred
29 to as the "Conservation Fund". Out of the funds remaining in the Bond Security and

1 the regular session of the legislature the commission shall include an estimate of
 2 proposed expenditures and the expenses for the ensuing year, its prospective
 3 revenues and any recommendations for legislative action. The governor shall lay
 4 copies of the report before the succeeding legislature. At each regular session the
 5 legislature shall appropriate such funds as it deems wise for the continuation of the
 6 work of the commission.

7 * * *

8 §639.8. Department of Wildlife and Fisheries; Artificial Reef Development Fund

9 * * *

10 C. There is hereby established a fund in the state treasury to be known as the
 11 Artificial Reef Development Fund, hereinafter referred to as the "Reef Fund" or
 12 "fund", into which the state treasurer shall each fiscal year, ~~and beginning with the~~
 13 ~~1986-1987 Fiscal Year~~, deposit the funds received as provided in Subsections A and
 14 B of this Section, after those revenues have been deposited in the Bond Security and
 15 Redemption Fund. Out of the funds remaining in the Bond Security and Redemption
 16 Fund after a sufficient amount is allocated from that fund to pay all obligations
 17 secured by the full faith and credit of the state that become due and payable within
 18 each fiscal year, the treasurer, prior to placing such funds in the state general fund,
 19 shall pay into the Reef Fund an amount equal to the funds deposited by the
 20 department into the treasury as provided in Subsection B. The monies in the Reef
 21 Fund shall be used solely as provided by Subsection E herein and only in the
 22 amounts appropriated by the legislature. All unexpended and unencumbered monies
 23 in the Reef Fund at the end of the fiscal year shall remain in the fund. The monies
 24 in the fund shall be invested by the state treasurer in the same manner as monies in
 25 the state general fund, and interest earned on the investment of these monies shall be
 26 credited to the fund, again, following compliance with the requirement of Article
 27 VII, Section ~~9(B)~~ 13(B) of the Constitution of Louisiana, relative to the Bond
 28 Security and Redemption Fund.

29 * * *

1 by such Acts, if the Acts become effective. The Law Institute is directed to report its
2 recommendations to the legislature on or before February 15, 2025.

3 Section 11. Upon the effective date of this Act, the state treasurer is hereby
4 authorized and directed to transfer from the Revenue Stabilization Fund, into the Budget
5 Stabilization Fund, an amount sufficient to bring the balance of the Budget Stabilization
6 Fund equal to seven and one-half percent of the total state revenue receipts for the prior
7 fiscal year.

8 Section 12. Section 7 of this Act shall become effective January 1, 2027.

9 Section 13. The provisions of this Section and Section 3 of this Act shall take effect
10 and become operative on July 1, 2025 if and when the proposed amendment of Article VII
11 of the Constitution of Louisiana contained in the Act which originated as House Bill No. ____
12 of this 2024 Third Extraordinary Session of the Legislature is adopted at a statewide election
13 and becomes effective.

14 Section 14.(A) The provisions of this Section and Sections 1, 2, 4 through 6, 8, 9,
15 11, and 12 shall take effect and become operative if and when the proposed amendment of
16 Article VII of the Constitution of Louisiana contained in the Act which originated as House
17 Bill No. ____ of this 2024 Third Extraordinary Session of the Legislature is adopted at a
18 statewide election and becomes effective.

19 (B) The provisions of Section 10 of this Act shall become effective upon signature
20 by the governor or, if not signed by the governor, upon expiration of the time for bills to
21 become law without signature by the governor, as provided by Article III, Section 18 of the
22 Constitution of Louisiana. If vetoed by the governor and subsequently approved by the
23 legislature, this Act shall become effective on the day following such approval.

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 15 Original

2024 Third Extraordinary Session

Emerson

Abstract: Provides relative to finances of the state

Oilfield Site Restoration Fund

Present law 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.

Present law provides for the deposit, use, and investment of monies in the fund. Requires the state treasurer to certify to the secretary of the Dept. of Revenue the date on which the balance in the fund equals or exceeds \$14M.

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 manner provided by law, and that interest earned on the monies in the fund shall 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.

Oil Spill Contingency Fund

Present law 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. Provides 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.

Budget Stabilization Fund

Present law 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 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 provides for a new source of deposits into the fund. Proposed law provides for deposits from 15% of the corporate income and franchise tax revenues and 15% of mineral revenues received each fiscal year. Increases the cap to 7.5% of total state revenues for the previous

fiscal year. Further provides that if these deposits cannot be made because the fund has reached "the cap", then these deposits would be made to the state general fund and incorporated into the official forecast as nonrecurring revenue. Defines mineral revenues as severance taxes, royalty payments, bonus payments, and rentals. Excludes revenues designated as nonrecurring, revenues received as a result of grants or donations, and revenues derived from any tax on the transportation of minerals. Further requires all unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund.

Millennium Trust

Present law 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. Provides for 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.

Present law provides that beginning in FY 2012, deposits shall be made as follows: (1) 1/3 of all dividend and interest income and all realized capital gains on investments of monies in the fund to the Health Excellence Fund; (2) 1/3 of all dividend and interest income and all realized capital gains on investments of monies into the Education Excellence Fund; and (3) 100% (of the 75%) of the tobacco settlement proceeds deposited into the Millennium Trust Fund and 1/3 of all dividend and interest income and all realized capital gains of monies invested into the TOPS Fund. Requires the treasurer to report annually to the legislature the amount of investment earnings credited to the TOPS fund.

Proposed law retains the Millennium Trust as a special fund within the state treasury. Retains the Health Excellence Fund and the TOPS Fund, but repeals the Education Excellence Fund. Provides for deposits as follows: (1) ½ of all dividend and interest income and all realized capital gains of monies invested to the Health Excellence Fund; and (2) 100% (of the 75%) of the tobacco settlement proceeds deposited into the Millennium Trust and ½ of all dividend and interest income and all realized capital gains of monies invested into the TOPS fund. Repeals language regarding deposit and the distribution of monies in the fund for prior fiscal years.

Present law provides for the investment of the Millennium Trust. Directs the treasurer to invest monies in the trust in the same investments permitted for the Louisiana Education Quality Trust Fund (LEQTF). Provides for investment maturity and interest rates on certificates of deposit. Authorizes the treasurer to enter into direct security repurchase agreements, reverse security repurchase agreements, and securities lending contracts in order to generate passive income. Provides definition for direct security repurchase agreements, reverse security repurchase agreements, and securities lending contracts. Requires the treasurer to annually submit a report on the performance of the trust to the Joint Legislative Committee on the Budget and the commissioner of administration. Requires the treasurer to annually submit a report on the performance of the Education Excellence Fund to the state superintendent of education.

Proposed law provides for the investment of the Millennium Trust; however, proposed law adds the types of investments allowable for monies in the LEQTF. Requires any investment managers hired on a contract basis to advise the treasurer to be selected by the treasurer and approved by the state bond commission. Removes the provision in present law that requires submission of the annual report regarding the performance of the Education Excellence Fund to the state superintendent of education. Retains all other provisions in present law.

Present law provides for appropriations from the subfunds within the Millennium Trust: (1) the Education Excellence Fund; (2) the Health Excellence Fund; and (3) the TOPS fund. Provides limitations to the amounts appropriated from the Education Excellence Fund, the

Health Excellence Fund, and the TOPS fund. Provides for specific purposes for monies appropriated from the Health Excellence Fund, the Education Excellence Fund, and the TOPS fund.

Proposed law removes all provisions regarding appropriation from the Education Excellence Fund. Retains provisions in present law regarding appropriations from the Health Excellence Fund and the TOPS fund.

Proposed law repeals prior year limitations on amounts that may be appropriated from the funds.

Louisiana Fund

Present law creates a special fund in the state treasury called the Louisiana Fund. Provides for the remaining monies from the tobacco settlement 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 provides for all unencumbered and unexpended monies in the fund at the end of the fiscal year to remain in the fund. Retains all other provisions in present law.

Louisiana Unclaimed Property Permanent Trust Fund

Present law creates a special fund in the state treasury called the Louisiana Unclaimed Property Permanent Trust Fund. Prohibits appropriations from the fund. Provides for the fund to ensure a source of payment for claims made by owners of unclaimed property. Deposits into the fund derive from the amount of all monies received as a result of the Uniform Unclaimed Property Act of 1997. Provides for realized capital gains, dividend income, and interest income earned on the investments in the fund to be deposited into the state general fund.

Proposed law retains present law and provides for investment of monies in the fund.

State Bond Commission

Present law provides for the state bond commission. Provides for the composition of the state bond commission and for officers.

Proposed law retains present law. Establishes requirements for issuance of debt and provides a time line and mechanism for contesting the validity of bonds.

Revenue Stabilization Fund

Present law 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 authorizes use of monies in the fund for a one-time payment to each parish which elects to irrevocably exempt business inventory from ad valorem tax prior to July 1, 2026. Further 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 corporation income tax collections and \$800 M. 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 Jan. 1, 2027. Upon repeal, the treasurer is authorized and directed 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 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 changes internal cross references to the Constitution of Louisiana and state statutes to align with House Bill No. _____. Proposed law retains all other provisions of present law.

Conservation Fund

Present law provides for an annual report to the governor from the Wildlife and Fisheries Commission. Provides for deposits and uses of certain treasury funds. Creates certain accounts within the Conservation Fund and provides for deposits and uses of those certain accounts.

Proposed law creates a special fund in the state treasury called the Louisiana Wildlife and Fisheries Conservation Fund (Conservation Fund). Provides for deposits and uses of the monies in the fund. Repeals present law requirements regarding deposits of certain monies into the fund. Retains all other provisions in present law.

Artificial Reef Development Fund

Present law 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 makes technical changes. Further changes internal cross references to the Constitution of Louisiana to align with House Bill No. ____ of the 2024 3rd E.S. of the Legislature. Adds sitting, 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 retains all other provisions of present law.

Repealed Funds

Present law 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.

Proposed law repeals certain provisions within the Oilfield Site Restoration Fund. Provides for the repeal of the certification from the state treasurer to the Secretary of Revenue when the balance in the fund reaches \$14M. Provides for the repeal of provisions regarding when fees may be collected after the certification. Provides for the repeal of provisions which lists the monies that shall not be counted to determine the balance of the 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 2024 3rd E.S. of the Legislature. Effective if and when the proposed amendment of Art. 7 of the Constitution of La. contained in the Act which originated as House Bill No. ____ of this 2024 3rd E.S. of the Legislature is adopted at a statewide election and becomes effective.

Proposed law authorizes and directs the law institute to study and make recommendations to revise statutory language to comply with changes that will be made by proposed law and the Act which originated as House Bill No. ____ of the 2024 3rd E.S. of the Legislature. The law institute is directed to report to the legislature by Feb. 15, 2025. Effective upon signature of the governor.

Effectiveness

Repealed provisions of law and all other sections of this bill (unless otherwise stated) become effective if and when the proposed amendment of Art. 7 of the Constitution of La. contained in the Act which originated as House Bill No. ____ of the 2024 3rd E.S. 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, 2025 if the proposed amendment of Art. 7 of the Constitution of La. contained in the Act which originated as House Bill No. ____ of the 2024 3rd E.S. of the Legislature is adopted at a statewide election and becomes effective. The repeal of the Revenue Stabilization Fund is effective on Jan. 1, 2027.

(Amends R.S. 30:86(A)(1) and 2483 (B) - (E), R.S. 39:94(A)(intro. para.) and (1) - (4), (B), and (C)(5), 98.1, 98.2(A) and (E), 98.3(A), (C), and (D), 98.4(A), 100.112, 100.161(B)(3), R.S. 49:214.5.4(B) and (E)(1), and R.S. 56:10(A) and (B)(1)(intro. para.), (c), and (e) and 639.8(C) and (E)(1); Adds R.S. 30:86(I) - (K) and 2483(F) and (G), R.S. 39:1401(D) and (E), and R.S. 56:10(B)(1)(d) and (E) and 639.8(H); Repeals R.S. 30:86(C), R.S. 39:97, 98.3(E), and 100.112, and R.S. 56:10(B)(1)(f) and (g))