
DIGEST

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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))