

2024 Third Extraordinary Session

HOUSE BILL NO. 12

BY REPRESENTATIVE DESHOTEL

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

1 AN ACT

2 To amend and reenact R.S. 17:3801(A) and (C) and 3802(A)(1), R.S. 30:86(A)(1) and

3 2483(B) through (E), R.S. 39:94(A)(introductory paragraph) and (1) through (4), (B),

4 and (C)(5), 98.1, 98.2(A) and (E), 98.3(A) and (C)(introductory paragraph), 98.4(A),

5 100.112, 110.116(A)(introductory paragraph), (1) through (3), (10), (12), and (B),

6 and 100.161(B)(3), R.S. 49:214.5.4(B) and (E)(1), and R.S. 56:639.8(C) and (E)(1),

7 to enact R.S. 30:86(I) through (K) and 2483(F) and (G) and R.S. 56:639.8(H), and

8 to repeal R.S. 17:3801(B), (C)(4), and (F), R.S. 30:86(C), and R.S. 39:97, 98.3(E),

9 and 100.116(A)(4), (9), (11), and (13), (C), and (D), relative to finances of the state;

10 to provide for certain treasury funds; to provide for the transfer, deposit, and use, as

11 specified, of monies in certain treasury funds and accounts; to provide for the

12 investment of certain treasury funds and accounts; to repeal certain treasury funds

13 and accounts; to provide for the issuance of bonds; to provide for the powers of the

14 state bond commission; to provide for effectiveness; and to provide for related

15 matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 17:3801(A) and (C) and 3802(A)(1) are hereby amended and

18 reenacted to read as follows:

1 §3801. Louisiana Education Quality Trust Fund, hereinafter referred to in this Part
2 as the "Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund"

3 A.(1) There shall be established in the state treasury as a special permanent
4 trust fund, the "Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund",
5 henceforth referred to as the "Permanent Trust Fund". ~~After allocation of money to~~
6 ~~the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of~~
7 ~~the constitution, and notwithstanding Article XIV, Section 10 of the constitution, the~~
8 ~~treasurer shall deposit in and credit to the Permanent Trust Fund all money which is~~
9 ~~received from the federal government under Section 1337(g) of Title 43 of the~~
10 ~~United States Code which is attributable to mineral production activity or leasing~~
11 ~~activity on the Outer Continental Shelf which has been held in escrow pending a~~
12 ~~settlement between the United States and the state of Louisiana, except the first one~~
13 ~~hundred million dollars so received, twenty-five percent of the recurring revenues~~
14 ~~received under Section 1337(g) of Title 43 of the United States Code which are~~
15 ~~attributable to mineral production activity or leasing activity on the Outer~~
16 ~~Continental Shelf, twenty-five percent of the interest income earned on investment~~
17 ~~of monies in the Permanent Trust Fund, and seventy-five percent of realized capital~~
18 ~~gains and twenty-five percent of dividend income earned on investment of the~~
19 ~~Permanent Trust Fund. No appropriation shall be made from the Permanent Trust~~
20 ~~Fund.~~

21 (2) ~~After six hundred million dollars has been credited to the Permanent~~
22 ~~Trust Fund from those monies received from the federal government under Section~~
23 ~~1337(g) of Title 43 of the United States Code which are attributable to mineral~~
24 ~~production activity or leasing activity on the Outer Continental Shelf which has been~~
25 ~~held in escrow pending a settlement between the United States and the state of~~
26 ~~Louisiana, the sum of fifty million dollars shall be credited from such monies to the~~
27 ~~Coastal Environment Protection Trust Fund, as established in R.S. 30:313; all such~~
28 ~~funds in excess of seven hundred fifty million dollars shall be credited to the~~
29 ~~Permanent Trust Fund.~~

1 (3) ~~After allocation of money to the Bond Security and Redemption Fund as~~
2 ~~provided in Article VII, Section 9(B) of the constitution, and notwithstanding Article~~
3 ~~XIV, Section 10 of the constitution, seventy-five percent of the recurring revenues~~
4 ~~received under Section 1337(g) of Title 43 of the United States Code which are~~
5 ~~attributable to mineral production activity or leasing activity, seventy-five percent~~
6 ~~of the interest income earned on investment of the Permanent Trust Fund, and~~
7 ~~twenty-five percent of realized capital gains and seventy-five percent of the dividend~~
8 ~~income earned on investment of the Permanent Trust Fund shall be deposited and~~
9 ~~credited to a~~ There is hereby created a special fund ~~which is hereby created~~ in the
10 state treasury, and which shall be known as the Louisiana Quality Education Support
11 Fund, ~~hereinafter~~ hereafter referred to in this Section as the "Support Fund".
12 ~~Beginning July 1, 2001, and only as to and in the accounting of earnings after that~~
13 ~~date, the treasurer shall account for earnings from the Permanent Fund in a manner~~
14 ~~which allocates the earnings between the Permanent Fund and the Support Fund in~~
15 ~~the proportions as herein provided as such earnings are realized. Beginning July 1,~~
16 ~~2001, and only as to and in the accounting of earnings after that date, the treasurer~~
17 ~~shall account for earnings attributable to Support Fund balances due the boards of~~
18 ~~education separately and allocate such earnings to the credit of each board~~
19 ~~respectively.~~

20 (4) ~~All recurring revenues and interest earnings shall be credited to the~~
21 ~~respective funds as provided in Paragraphs (1) and (2) above until the balance in the~~
22 ~~Permanent Trust Fund equals two billion dollars. After the Permanent Trust Fund~~
23 ~~reaches a balance of two billion dollars, all interest earnings on the Permanent Trust~~
24 ~~Fund shall be credited to the Support Fund and all recurring revenues shall be~~
25 ~~credited to the State General Fund.~~

* * *

27 C.(1) The amounts in the Support Fund shall be available for appropriation
28 to pay expenses incurred for outside investment managers for the investment and
29 management of the ~~Permanent~~ Trust Fund and for other custody, investment, and

1 disbursement costs directly attributable to the ~~Permanent~~ Trust Fund, and for
2 educational purposes only as provided in these Sections.

3 ~~(2) The State Board of Elementary and Secondary Education and the Board~~
4 ~~of Regents each shall annually submit to the legislature and the governor not less~~
5 ~~than sixty days prior to the beginning of each regular session of the legislature a~~
6 ~~proposed program and budget for the expenditure of the monies in the Support Fund.~~
7 ~~Proposals for such expenditures shall be designed to improve the quality of~~
8 ~~education. Except for monies appropriated to pay expenses incurred in investment~~
9 ~~and management of the Permanent Trust Fund, monies appropriated from the~~
10 ~~Support Fund by the legislature shall be disbursed to the Board of Regents and the~~
11 ~~State Board of Elementary and Secondary Education to be allocated by them as~~
12 ~~provided by law or the constitution to the programs as previously approved by the~~
13 ~~legislature.~~

14 ~~(3)~~ The treasurer shall disburse not more than fifty percent of the monies in
15 the Support Fund as that money is appropriated by the legislature and allocated by
16 the Board of Regents for any or all of the following higher educational purposes to
17 enhance economic development:

18 (a) The carefully defined research efforts of public and private universities
19 in Louisiana.

20 (b) The endowment of chairs for eminent scholars.

21 (c) The enhancement of the quality of academic, research, or agricultural
22 departments or units within a community college, college, or university. These funds
23 shall not be used for athletic purposes or programs.

24 (d) The recruitment of superior graduate students.

25 ~~(4)~~ (3) The treasurer shall disburse not more than fifty percent of the monies
26 in the Support Fund as that money is appropriated by the legislature and allocated by
27 the State Board of Elementary and Secondary Education for any or all of the
28 following elementary and secondary educational purposes:

1 (a) To provide compensation to city or parish school board professional
2 instructional employees.

3 (b) To insure an adequate supply of superior textbooks, library books,
4 equipment, and other instructional materials.

5 (c) To fund exemplary programs in elementary, secondary, or vocational-
6 technical schools designed to improve elementary and secondary student academic
7 achievement, or vocational-technical skill.

8 (d) To fund carefully defined research efforts, including pilot programs,
9 designed to improve elementary and secondary student academic achievement.

10 (e) To fund summer school remediation programs and preschool programs.

11 (f) To fund the teaching of foreign languages in elementary and secondary
12 schools.

13 (g) To fund an adequate supply of teachers by providing scholarships or
14 stipends to prospective teachers in academic areas where there is a critical teacher
15 shortage.

16 * * *

17 §3802. Appropriations; procedure; limitation; administration

18 A.(1) ~~Consistent with the provisions of the Constitution of Louisiana, the~~
19 The legislature shall appropriate the total amount of the funds in the Louisiana
20 Quality Education Support Fund, hereinafter referred to as the "support fund",
21 intended for higher educational purposes to the Board of Regents and the total
22 amount intended for elementary and secondary educational purposes to the State
23 Board of Elementary and Secondary Education itemized by program or other
24 recipient purpose. Such itemization shall occur in both the executive budget and in
25 the general appropriation bill and, except as otherwise provided by the constitution,
26 budget and appropriation functions shall be conducted as provided by law. Passage
27 of the general appropriation bill shall constitute legislative approval of the programs
28 or purposes to which money is appropriated.

29 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 Section 2. R.S. 30:86(A)(1) and 2483(B) through (E) are hereby amended and
2 reenacted and R.S. 30:86(I) through (K) and 2483(F) and (G) are hereby enacted to read as
3 follows:

4 §86. Oilfield Site Restoration Fund

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

11 * * *

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

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

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

21 * * *

22 §2483. Oil Spill Contingency Fund

23 * * *

24 B. There shall be established in the state treasury, as a special fund, the Oil
25 Spill Contingency Fund, hereinafter referred to as the "contingency fund". Out of
26 the funds remaining in the Bond Security and Redemption Fund after a sufficient
27 amount is allocated from that fund to pay all obligations secured by the full faith and
28 credit of the state which become due and payable within any fiscal year as required

1 by Article VII, Section 13(B) of the Constitution of Louisiana, the treasurer shall pay
2 into the contingency fund all of the following:

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

6 (2) Any fees, taxes, penalties, reimbursements, charges, federal funds, or
7 other revenue enacted by the legislature for the purposes of abatement and
8 containment of actual or threatened unauthorized discharges of oil after November
9 23, 1995, shall be irrevocably dedicated and deposited in the contingency fund.

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

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

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

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

27 ~~D. All fees, taxes, penalties, judgments, reimbursements, charges, and~~
28 ~~federal funds collected pursuant to the provisions of this Chapter, except as provided~~

1 by ~~R.S. 30:2480.2~~, shall be deposited immediately upon receipt into the state
2 treasury:

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

14 G. The provisions of this Section shall not apply to or affect funds allocated
15 by Article VII, Section 8, Paragraphs (B) and (C) of the Constitution of Louisiana.
16 Section 3. R.S. 39:94(A)(introductory paragraph) and (1) through (4), (B), and
17 (C)(5), 98.1, 98.2 (A) and (E), 98.3(A), (C)(introductory paragraph), 98.4(A), and
18 100.161(B)(3) are hereby amended and reenacted to read as follows:

19 §94. Budget Stabilization Fund

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

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

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

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

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

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

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

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

1 received by the state from the Federal Emergency Management Agency or other
2 sources providing disaster relief assistance.

3 * * *

4 §98.1. Creation of Funds; Millennium Trust

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

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

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

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

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 ~~(4) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~
2 ~~2002-2003, ten percent of the total monies received in each of those years for credit~~
3 ~~to the Education Excellence Fund which, notwithstanding the provisions of R.S.~~
4 ~~39:98.3(A), shall be appropriated for the purposes provided in R.S. 39:98.3(C)(4).~~

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

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

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

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

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

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 ~~D.(1)~~ The TOPS Fund shall be established in the state treasury as a special
2 fund within the Millennium Trust. The treasurer shall credit to the TOPS Fund ~~one-~~
3 ~~third of the Settlement Agreement proceeds deposited into the Millennium Trust and~~
4 ~~one-third of all dividend and interest income and all realized capital gains on~~
5 ~~investment of monies in the Millennium Trust.~~

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

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

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

1 §98.2. Investment of Millennium Trust

2 A. The treasurer is authorized and directed to invest monies in the
3 Millennium Trust which are available for investment in ~~the investments permitted~~
4 ~~for the Louisiana Education Quality Trust Fund, also known as the Kevin P. Reilly~~
5 ~~Sr. Louisiana Education Quality Trust Fund, as set forth in R.S. 17:3803(B), (D), and~~
6 ~~(E).~~ any of the following:

7 (1) 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 (2) 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 (3) 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 (4) 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 (5)(a) Investment grade commercial paper issued in the United States, traded
7 in the United States markets, denominated in United States dollars, with a short-term
8 rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1 by
9 Moody's Investor Service, Inc. or the equivalent rating by a nationally recognized
10 statistical rating organization.

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

19 (7) 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 (8)(a) 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 (b) 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 (9) 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 (10) 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 * * *

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

10 ~~§98.3. Appropriations from the Health Excellence Fund, the Education Excellence~~
11 ~~Fund, and the TOPS Fund~~ §98.3. Appropriations from funds within the
12 Millennium Trust

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

27 (2)(a) ~~For Fiscal Year 2011-2012 appropriations from the Health Excellence~~
28 ~~Fund shall be limited to an annual amount not to exceed the estimated aggregate~~
29 ~~annual earnings from interest, dividends, and realized capital gains on investment of~~

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 ~~the trust and credited to the Health Excellence Fund as provided by R.S.~~
2 ~~39:98.1(B)(2) and as recognized by the Revenue Estimating Conference.~~

3 (b) ~~For Fiscal Year 2012-2013, and For~~ For each fiscal year thereafter,
4 appropriations from the Health Excellence Fund shall be limited to an annual amount
5 not to exceed the estimated aggregate annual earnings from interest, dividends, and
6 realized capital gains on investment of the trust and credited to the Health Excellence
7 Fund as provided by ~~R.S. 39:98.1(B)(2)~~ R.S. 39:98.1(B)(1) and as recognized by the
8 Revenue Estimating Conference and the amount of proceeds credited to and
9 deposited into the Health Excellence Fund as provided by ~~R.S. 39:98.1(B)(3)~~ R.S.
10 39:98.1(B)(2).

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

18 (b) ~~(2)(a)~~ (a) For Fiscal Year 2012-2013, and each fiscal year thereafter,
19 appropriations from the TOPS Fund shall be limited to the amount of annual
20 Settlement Agreement proceeds credited to and deposited into the TOPS Fund as
21 provided in ~~R.S. 39:98.1(D)(2)~~ R.S. 39:98.1(C), and an annual amount not to exceed
22 the estimated aggregate annual earnings from interest, dividends, and realized capital
23 gains on investment of the trust and credited to the TOPS Fund as provided in ~~R.S.~~
24 ~~39:98.1(D)(2)~~ R.S. 39:98.1(C) and as recognized by the Revenue Estimating
25 Conference.

26 (c) ~~For Fiscal Year 2011-2012, and each fiscal year thereafter, (b) The~~
27 amounts determined to be available for appropriation from the TOPS Fund from
28 interest earnings shall be those aggregate investment earnings which are in excess
29 of an inflation factor as determined by the Revenue Estimating Conference. The

1 amount of realized capital gains on investment which may be included in the
2 aggregate earnings available for appropriation in any year shall not exceed the
3 aggregate of earnings from interest and dividends for that year.

4 ~~(4)~~ (3) Actual earnings from interest, dividends, and capital gains during the
5 fiscal year in excess of the amounts estimated as available for appropriation shall be
6 credited to the appropriate fund and available for appropriation in subsequent years.
7 Appropriations from the Health Excellence Fund, ~~the Education Excellence Fund,~~
8 and the TOPS Fund shall include performance expectations to ensure accountability
9 in the expenditure of such monies.

10 * * *

11 C. The Education Excellence Fund shall be established in the state treasury
12 as a special fund within the Millennium Trust. Appropriations from the Education
13 Excellence Fund shall be restricted as follows:

14 * * *

15 §98.4. Louisiana Fund

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

1 general fund. All unencumbered and unexpended monies in the ~~Fund~~ fund at the end
2 of the fiscal year shall remain in the ~~Fund~~ fund.

3 * * *

4 §100.116. Dedication of mineral revenues

5 A. All mineral revenues as defined in Subsection ~~D~~ B of this Section
6 received in each fiscal year by the state as a result of the production of or exploration
7 for minerals, hereinafter referred to as mineral revenues, shall be allocated as
8 provided in this Section after the following allocations and deposits of mineral
9 revenues have been made:

10 (1) To the Bond Security and Redemption Fund as provided by Article VII,
11 Section ~~9(B)~~ 13(B) of the Constitution of Louisiana.

12 (2) To the political subdivisions of the state as provided in Article VII,
13 ~~Sections 4(D) and (E)~~ Sections 8(B) and (C) of the Constitution of Louisiana and
14 R.S. 47:645.

15 (3) To the Louisiana Wildlife and Fisheries Conservation Fund as provided
16 by the requirements of Article VII, Section ~~10-A~~ 23 of the Constitution of Louisiana
17 and R.S. 47:324, R.S. 56:799, and 799.3.

18 * * *

19 (10) To the Coastal Protection and Restoration Fund as provided in Article
20 VII, Section ~~10.2~~ 17 of the Constitution of Louisiana and R.S. 49:214.5.4.

21 * * *

22 (12) To the Budget Stabilization Fund as provided in Article VII, Section
23 ~~10.3~~ 15 of the Constitution of Louisiana and R.S. 39:94.

24 * * *

25 B. ~~After the allocations and deposits provided in Subsection A of this~~
26 ~~Section, the mineral revenues received in each year in excess of six hundred sixty~~
27 ~~million dollars and less than nine hundred fifty million dollars shall be allocated as~~
28 ~~follows:~~

1 ~~(1) Thirty percent shall be appropriated to the Louisiana State Employees'~~
2 ~~Retirement System and the Teachers' Retirement System of Louisiana for application~~
3 ~~to the balance of the unfunded accrued liability of such systems existing as of June~~
4 ~~30, 1988, in proportion to the balance of such unfunded accrued liability of each such~~
5 ~~system, until such unfunded accrued liability has been eliminated. Any such~~
6 ~~payments to the public retirement systems shall not be used, directly or indirectly,~~
7 ~~to fund cost-of-living increases for such systems.~~

8 ~~(2) The remainder shall be deposited into the Revenue Stabilization Trust~~
9 ~~Fund.~~

10 ~~C. Mineral revenues in excess of the base which would otherwise be~~
11 ~~deposited into the Budget Stabilization Fund under R.S. 39:94(A)(2), but are~~
12 ~~prohibited from being deposited into the fund under R.S. 39:94(C)(5), shall be~~
13 ~~distributed as follows:~~

14 ~~(1) Thirty percent shall be appropriated to the Louisiana State Employees'~~
15 ~~Retirement System and the Teachers' Retirement System of Louisiana for application~~
16 ~~to the balance of the unfunded accrued liability of such systems existing as of June~~
17 ~~30, 1988, in proportion to the balance of such unfunded accrued liability of each such~~
18 ~~system, until such unfunded accrued liability has been eliminated. Any such~~
19 ~~payments to the public retirement systems shall not be used, directly or indirectly,~~
20 ~~to fund cost-of-living increases for such systems.~~

21 ~~(2) The remainder shall be deposited into the Revenue Stabilization Trust~~
22 ~~Fund.~~

23 ~~D. For purposes of this Section, "mineral revenues" shall include severance~~
24 ~~taxes, royalty payments, bonus payments, or rentals, with the following exceptions:~~

25 ~~(1) Revenues designated as nonrecurring, pursuant to Article VII, Section~~
26 ~~10(B) of the Constitution of Louisiana.~~

27 ~~(2) Revenues received by the state as a result of grants or donations when the~~
28 ~~terms or conditions thereof require otherwise.~~

1 (3) Revenues derived from any tax on the transportation of minerals.

2 * * *

3 §100.161. Louisiana Unclaimed Property Permanent Trust Fund

4 * * *

5 B.

6 * * *

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

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

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

27 (iii) Direct obligations of a United States government agency, United States
28 government instrumentality, or United States government-sponsored enterprise, the
29 timely payment of principal and interest of which is fully guaranteed by the issuing

1 entity, but are not explicitly guaranteed by the full faith and credit of the government
2 of the United States, and contained in a list promulgated by the state treasurer.

3 (iv) Stocks of any corporation listed on the New York Stock Exchange, the
4 American Stock Exchange, the National Association of Securities Dealers
5 Automated Quotations System, or other such stock exchange domiciled in the United
6 States and registered with the United States Securities and Exchange Commission,
7 provided that the total investment in such stocks at any one time shall not exceed
8 thirty-five percent of the market value of all funds held by the treasurer in the
9 Millennium Trust.

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

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

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

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

26 (viii) Tax exempt bonds and other taxable governmental bonds. In addition
27 to all other investment authority related to the Millennium Trust, the state treasurer
28 may invest in tax exempt bonds as defined in R.S. 49:342(C), and in taxable bonds
29 issued by any state or a political subdivision or public corporation of any state,

1 provided that such taxable bonds are rated at the time the investment is made by a
2 nationally recognized rating agency in one of the three highest rating categories of
3 that rating agency.

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

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

26 (xi) Open-end mutual funds, closed-end mutual funds, exchange traded
27 funds, and unit investment trusts consisting solely of international securities
28 constructed to match or track the components of a market index provided by globally
29 recognized index providers, including but not limited to MSCI, FTSE, Dow Jones,

1 Standard & Poor's, Barclays, Citigroup, or any of their affiliates or successors and
 2 assigns; however, the total investment in any and all such index funds at any one
 3 time shall not exceed ten percent of the market value of all funds held by the
 4 treasurer in the Millennium Trust. Nothing in this Subparagraph shall be construed
 5 to allow the state treasurer to invest directly in the common stock of foreign
 6 companies known to do business with nations that support terrorism.

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

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

* * *

Section 4. R.S. 39:100.112 is hereby amended and reenacted to read as follows:

§100.112. Revenue Stabilization ~~Trust~~ Fund

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

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

6 (1) In accordance with Article VII, Section 35 of the Constitution of
7 Louisiana and R.S. 47:1703(B), a one-time payment shall be made to each parish that
8 elects to irrevocably exempt business inventory from ad valorem tax prior to July 1,
9 2026. The payment shall be made by the treasurer to the ad valorem tax collector
10 within thirty days of receipt of a certification from the secretary of the Department
11 of Revenue that the parish has irrevocably elected to exempt business inventory from
12 ad valorem tax.

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

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

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

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

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

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

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

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

9 ~~(ii) Transportation infrastructure.~~

10 ~~(b) The minimum fund balance or the allowable percentage may be changed~~
11 ~~by a law enacted by two-thirds of the elected members of each house of the~~
12 ~~legislature.~~

13 ~~(c) Notwithstanding any provision of this Paragraph to the contrary, for~~
14 ~~Fiscal Year 2024-2025, the minimum fund balance shall equal two billion two~~
15 ~~hundred million dollars, and the allowable percentage shall equal thirty-three~~
16 ~~percent.~~

17 ~~(3) In order to ensure the money in the fund is available for appropriation in~~
18 ~~an emergency, the legislature may authorize an appropriation from the fund at any~~
19 ~~time for any purpose pursuant to a concurrent resolution adopted by a favorable vote~~
20 ~~of two-thirds of the elected members of each house of the legislature. If the~~
21 ~~legislature is not in session, the two-thirds consent requirement shall be obtained as~~
22 ~~provided in R.S. 39:87.~~

23 * * *

24 Section 5. R.S. 49:214.5.4(B) and (E)(1) are hereby amended and reenacted to read
25 as follows:

26 §214.5.4. Funding and resource allocation

27 * * *

28 B. Of all mineral revenues received in each fiscal year by the state including
29 those received as a result of the production of or exploration for minerals, hereinafter

1 referred to as mineral revenues from severance taxes, royalty payments, bonus
2 payments, or rentals, and excluding federal revenues received as provided in
3 Subsection E of this Section and such revenues received by the state as a result of
4 grants or donations when the terms or conditions thereof require otherwise, the
5 treasurer shall make the following allocations:

6 (1) To the Bond Security and Redemption Fund as provided in Article VII,
7 Section ~~9(B)~~ 13(B) of the Constitution of Louisiana.

8 (2) To ~~the~~ political subdivisions ~~of the state~~ as provided in Article VII,
9 Sections ~~4(D) and (E)~~ 8(B) and (C) of the Constitution of Louisiana.

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

12 * * *

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

19 * * *

20 Section 6. R.S. 56:639.8(C) and (E)(1) are hereby amended and reenacted and R.S.
21 56:10(B)(1)(d) and (E) and 639.8(H) are hereby enacted to read as follows:

22 §639.8. Department of Wildlife and Fisheries; Artificial Reef Development Fund

23 * * *

24 C. There is hereby established a fund in the state treasury to be known as the
25 Artificial Reef Development Fund, hereinafter referred to as the "Reef Fund" or
26 "fund", into which the state treasurer shall each fiscal year, ~~and beginning with the~~
27 ~~1986-1987 Fiscal Year~~, deposit the funds received as provided in Subsections A and
28 B of this Section, after those revenues have been deposited in the Bond Security and
29 Redemption Fund. Out of the funds remaining in the Bond Security and Redemption

1 Fund after a sufficient amount is allocated from that fund to pay all obligations
 2 secured by the full faith and credit of the state that become due and payable within
 3 each fiscal year, the treasurer, prior to placing such funds in the state general fund,
 4 shall pay into the Reef Fund an amount equal to the funds deposited by the
 5 department into the treasury as provided in Subsection B. The monies in the Reef
 6 Fund shall be used solely as provided by Subsection E herein and only in the
 7 amounts appropriated by the legislature. All unexpended and unencumbered monies
 8 in the Reef Fund at the end of the fiscal year shall remain in the fund. The monies
 9 in the fund shall be invested by the state treasurer in the same manner as monies in
 10 the state general fund, and interest earned on the investment of these monies shall be
 11 credited to the fund, again, following compliance with the requirement of Article
 12 VII, Section ~~9(B)~~ 13(B) of the Constitution of Louisiana, relative to the Bond
 13 Security and Redemption Fund.

14 * * *

15 E.(1) Monies may be withdrawn directly from the Reef Fund for the
 16 operation of the program as described in R.S. 56:639.5, including evaluation of the
 17 program and administrative and field support for the sitting, designing, constructing,
 18 permitting, establishing, monitoring, and maintenance of artificial reefs established
 19 pursuant to this Subpart until such time that the council determines that the annual
 20 interest earnings from the fund are sufficient to run the program.

21 * * *

22 H. The state treasurer shall prepare and submit to the department on a
 23 quarterly basis a written report showing the amount of money contained in the fund
 24 from all sources.

25 * * *

26 Section 7. R.S. 17:3801(B), (C)(4), and (F), R.S. 30:86(C), and R.S. 39:98.3(E), and
 27 100.116(A)(4), (9), (11), (13), (C), and (D) are hereby repealed in their entirety.

28 Section 8. R.S. 17:3801 through 3805 and R.S. 39:98.3(C) are hereby repealed in
 29 their entirety.

1 Section 9. R.S. 39:100.112 is hereby repealed in its entirety. The state treasurer is
2 hereby authorized and directed to transfer any remaining balance in the Revenue
3 Stabilization Fund to the state general fund. Monies transferred pursuant to this Section
4 shall be recognized by the Revenue Estimating Conference as nonrecurring revenues.

5 Section 10. R.S. 39:97 is hereby repealed in its entirety. The state treasurer is hereby
6 authorized and directed to transfer any remaining balance in the Mineral Revenue Audit and
7 Settlement Fund to the state general fund.

8 Section 11. The Louisiana State Law Institute is hereby authorized and directed to
9 review all statutes which contain citations being changed by this Act and the Act that
10 originated as House Bill No. 7 of the 2024 Third Extraordinary Session of the Legislature
11 and in all statutory locations it deems appropriate change such references.

12 Section 12. Because of the broad impact of this Act and the Act that originated as
13 House Bill No. 7 of the 2024 Third Extraordinary Session of the Legislature, the Louisiana
14 State Law Institute is authorized and directed to study and make such recommendations as
15 it deems necessary to revise statutory language to comply with changes that will be made
16 by such Acts, if the Acts become effective. The Law Institute is directed to report its
17 recommendations to the legislature on or before February 15, 2025.

18 Section 13. Upon the effective date of this Act, the state treasurer is hereby
19 authorized and directed to transfer from the Revenue Stabilization Fund, into the Budget
20 Stabilization Fund, an amount sufficient to bring the balance of the Budget Stabilization
21 Fund equal to seven and one-half percent of the total state revenue receipts for the prior
22 fiscal year.

23 Section 14. Section 9 of this Act shall become effective January 1, 2027.

24 Section 15. Section 8 of this Act shall become effective June 30, 2025.

25 Section 16. The provisions of this Section and Section 4 of this Act shall take effect
26 and become operative on July 1, 2025, if and when the proposed amendment of Article VII
27 of the Constitution of Louisiana contained in the Act which originated as House Bill No. 7
28 of this 2024 Third Extraordinary Session of the Legislature is adopted at a statewide election
29 and becomes effective.

1 Section 17.(A) The provisions of this Section and Sections 1 through 3, 5 through 7,
2 10, 11, and 13 through 15 shall take effect and become operative if and when the proposed
3 amendment of Article VII of the Constitution of Louisiana contained in the Act which
4 originated as House Bill No. 7 of this 2024 Third Extraordinary Session of the Legislature
5 is adopted at a statewide election and becomes effective.

6 (B) The provisions of Section 12 of this Act shall become effective upon signature
7 by the governor or, if not signed by the governor, upon expiration of the time for bills to
8 become law without signature by the governor, as provided by Article III, Section 18 of the
9 Constitution of Louisiana. If vetoed by the governor and subsequently approved by the
10 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 12 Engrossed

2024 Third Extraordinary Session

Deshotel

Abstract: Provides relative to finances of the state and statutorily dedicated funds

Louisiana Education Quality Trust Fund and the Louisiana Quality Education Support Fund

Present law provides for allocations to the Louisiana Education Quality Trust Fund and the Louisiana Quality Education Support Fund and appropriations from these funds.

Proposed law repeals provisions related to the allocations made to the Louisiana Education Quality Trust Fund and the Louisiana Quality Education Support Fund. Retains provisions related to appropriations from the funds. Proposed law repeals all provisions related to both funds effective June 30, 2025.

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) 1/2 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 1/2 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 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.

Proposed law repeals provisions related to the allocations made to the Education Excellence Fund and retains the provisions in present law regarding appropriations from the fund. Proposed law repeals all provisions of the Education Excellence Fund effective June 30, 2025.

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.

Dedication of Mineral Revenues

Present law 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 Louisiana Wildlife and Fisheries Conservation Fund, the Oil and Gas Regulatory Dedicated Fund Account, the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, 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 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 Coastal Protection and Restoration Fund, and the Budget Stabilization Fund.

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.

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. 7. Proposed law retains all other provisions of 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. 7 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. 7 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. 7 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. 7 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. 7 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. 7 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. 17:3801(A) and (C) and 3802(A)(1), 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) and (C)(intro. para.), 98.4(A), 100.112, 110.116(A)(intro. para.), (1)-(3), (10), (12), and (B), and 100.161(B)(3), R.S. 49:214.5.4(B) and (E)(1), and R.S. 56:639.8(C) and (E)(1); Adds R.S. 30(86)(I)-(K) and 2483(F) and (G) and R.S. 56:639.8(H); Repeals R.S. 17:3801(B), (C)(4), and (F), R.S. 30:86(C), and R.S. 39:97, 98.3(E), and 100.116(A)(4), (9), (11), and (13), (C), and (D))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Repeal provisions related to allocations made to the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, and the Education Excellence Fund. Retain provisions related to appropriations from the funds.
2. Repeal the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, and the Education Excellence Fund effective June 30, 2025.
3. Repeal provisions related to the dedication of mineral revenues to the Louisiana Wildlife and Fisheries Conservation Fund and the Oil and Gas Regulatory Dedicated Fund Account, the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, the Mineral Revenue Audit and Settlement Fund, the Transportation Trust Fund, the Louisiana State Employees' Retirement System, and the Teachers' Retirement System of Louisiana.
4. Restore the provisions of the Conservation Fund to present law.
5. Restore the provisions of the State Bond Commission to present law.
6. Make technical changes.