First Extraordinary Session, 2005

HOUSE BILL NO. 139

### BY REPRESENTATIVE ALARIO

## FUNDS/FUNDING: (Constitutional Amendment) Changes the name of the Wetlands Conservation and Restoration Fund and provides for the deposit of certain federal revenues into the fund (Item #3)

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Sections 10(D)(2)(e), 10.2, and 10.5(B) and (C) of the
3	Constitution of Louisiana, relative to the Wetlands Conservation and Restoration
4	Fund; to change the name of the fund to the Coastal Protection and Restoration Fund;
5	to provide relative to deposits and uses of the fund; to provide relative to certain
6	federal revenues received by the state generated from Outer Continental Shelf oil and
7	gas activity; to provide for the depositing and crediting of such monies into the fund,
8	and for the uses of such federal revenues; to provide for submission of the proposed
9	amendment to the electors; and to provide for related matters.
10	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
11	elected to each house concurring, that there shall be submitted to the electors of the state of
12	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
13	amend Article VII, Sections 10(D)(2)(e), 10.2, and 10.5(B) and (C) of the Constitution of
14	Louisiana, to read as follows:
15	§10. Expenditure of State Funds
16	Section 10.
17	* * *
18	(D) Appropriations.
19	* * *

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1	(2) Except as otherwise provided in this constitution, the appropriation or
2	allocation of any money designated in the official forecast as nonrecurring shall be
3	made only for the following purposes:
4	* * *
5	(e) Providing for allocation or appropriation for deposit into the Wetlands
6	Conservation Coastal Protection and Restoration Fund established in Article VII,
7	Section 10.2 of this constitution.
8	* * *
9	§10.2. Wetlands Conservation and Restoration Coastal Protection and Restoration
10	Fund
11	Section 10.2(A) Effective July 1, 1990, there There shall be established in the
12	state treasury the Wetlands Conservation and Restoration Coastal Protection and
13	Restoration Fund to provide a dedicated, recurring source of revenues for the
14	development and implementation of a program to conserve and restore Louisiana's
15	vegetated wetlands. protect and restore Louisiana's coastal area.
16	Of revenues received in each fiscal year by the state as a result of the
17	production of or exploration for minerals, hereinafter referred to as mineral revenues
18	from severance taxes, royalty payments, bonus payments, or rentals, and excluding
19	such revenues received by the state as a result of grants or donations when the terms
20	or conditions thereof require otherwise, the treasurer shall make the following
21	allocations:
22	(1) To the Bond Security and Redemption Fund as provided in Article VII,
23	Section 9(B) of this constitution.
24	(2) To the political subdivisions of the state as provided in Article VII,
25	Sections 4(D) and (E) of this constitution.
26	(3) As provided by the requirements of Article VII, Sections 10-A and 10.1
27	of this constitution.
28	(B)(1) After making the allocations provided for in Paragraph (A), the
29	treasurer shall then deposit in and credit to the Wetlands Conservation and

1	Restoration Coastal Protection and Restoration Fund any amount of mineral revenues
2	that may be necessary to insure that a total of five million dollars is deposited into
3	such fund for the fiscal year from this source; provided that the balance of the fund
4	which consists of mineral revenues from severance taxes, royalty payments, bonus
5	payments, or rentals shall not exceed an amount provided by law, but in no event
6	shall the amount provided by law be less than five hundred million dollars.
7	(2) After making the allocations and deposits provided for in Paragraphs (A)
8	and (B)(1) of this Section, the treasurer shall deposit in and credit to the Wetlands
9	Conservation and Restoration Coastal Protection and Restoration Fund as follows:
10	(a) Ten million dollars of the mineral revenues in excess of six hundred
11	million dollars which remain after the allocations provided for in Paragraph (A) are
12	made by the treasurer.
13	(b) Ten million dollars of the mineral revenues in excess of six hundred fifty
14	million dollars which remain after the allocations provided in Paragraph (A) are
15	made by the treasurer.
16	However, the balance of the fund which consists of mineral revenues from
17	severance taxes, royalty payments, bonus payments, or rentals shall not exceed an
18	amount provided by law, but in no event shall the amount provided by law be less
19	than five hundred million dollars.
20	(C) The money in the fund shall be invested as provided by law and any
21	earnings realized on investment of money in the fund shall be deposited in and
22	credited to the fund. Money from other sources, such as donations, appropriations,
23	or dedications, may be deposited in and credited to the fund; however, the balance
24	of the fund which consists of mineral revenues from severance taxes, royalty
25	payments, bonus payments, or rentals shall not exceed an amount provided by law,
26	but in no event shall the amount provided by law be less than five hundred million
27	dollars. Any unexpended money remaining in the fund at the end of the fiscal year
28	shall be retained in the fund.
29	(D) The money in the fund may be appropriated for purposes consistent with
30	the Wetlands Conservation and Restoration Plan developed by the Wetlands

1	Conservation and Restoration Authority Coastal Protection Plan developed by the
2	Coastal Protection and Restoration Authority or its successor.
3	No appropriation shall be made from the fund inconsistent with the purposes
4	of the plan.
5	(E)(1) Subject to Article VII, Sections 9(B) and 10.1 of this constitution, in
6	each fiscal year, the federal revenues that are received by the state generated from
7	Outer Continental Shelf oil and gas activity and eligible, as provided by federal law,
8	to be used for the purposes of this Paragraph shall be deposited and credited by the
9	treasurer to the Coastal Protection and Restoration Fund.
10	(2) Federal revenues credited to the Coastal Protection and Restoration Fund
11	pursuant to this Paragraph shall be used only for the purposes of coastal wetlands
12	conservation, coastal restoration, hurricane protection, and infrastructure directly
13	impacted by coastal wetland losses.
14	(3) The fund balance limitations provided for in Paragraph (B) of this
15	Section relative to the mineral revenues deposited to this fund shall not apply to
16	revenues deposited pursuant to the provisions of this Paragraph.
17	* * *
18	§10.5. Mineral Revenue Audit and Settlement Fund
19	Section 10.5.
20	* * *
21	(B) After making the allocations provided for in Paragraph (A), the treasurer
22	shall then deposit in and credit to the Mineral Revenue Audit and Settlement Fund
23	any such remaining revenues. Any revenues deposited in and credited to the fund
24	shall be considered mineral revenues from severance taxes, royalty payments, bonus
25	payments, or rentals for purposes of determining deposits and credits to be made in
26	and to the Wetlands Conservation Coastal Protection and Restoration Fund as
27	provided in Article VII, Section 10.2 of this constitution. Any revenues deposited
28	in and credited to the fund shall not be considered mineral revenues for purposes of
29	the Budget Stabilization Fund as provided in Article VII, Section 10.3 of this

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constitution. Money in the fund shall be invested as provided by law. The earnings
 realized in each fiscal year on the investment of monies in the Mineral Revenue
 Audit and Settlement Fund shall be deposited in and credited to the Mineral Revenue
 Audit and Settlement Fund.

(C) After making the allocations provided for in Paragraph (A), the treasurer 5 shall credit thirty-five million dollars to the Wetlands Conservation Coastal 6 Protection and Restoration Fund, and thereafter any monies credited to the fund in 7 8 any fiscal year may be annually appropriated by the legislature only for the purposes 9 of retirement in advance of maturity through redemption, purchase, or repayment of 10 debt of the state, pursuant to a plan proposed by the State Bond Commission to 11 maximize savings to the state; for payments against the unfunded accrued liability 12 of the public retirement systems which are in addition to any payments required for the annual amortization of the unfunded accrued liability of the public retirement 13 14 systems, required by Article X, Section 29 of this constitution; however, any such 15 payment to the public retirement systems shall not be used, directly or indirectly, to 16 fund cost-of-living increases for such systems; and for deposit in the Wetlands 17 Conservation Coastal Protection and Restoration Fund.

18 Section 2. Be it further resolved that Act No. 513 of the 2005 Regular Session is 19 hereby repealed, the amendment to the constitution proposed in such Act is hereby 20 withdrawn, and the secretary of state is hereby ordered not to include the proposition 21 contained in that Act on the ballot on November 7, 2006.

Section 3. Be it further resolved that this proposed amendment shall be submittedto the electors of the state of Louisiana at the next statewide election.

Section 4. Be it further resolved that on the official ballot to be used at said election there shall be printed a proposition, upon which the electors of the state shall be permitted to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall read as follows:

To change the name from the Wetlands Conservation and Restoration Fund
to the Coastal Protection and Restoration Fund; to provide that the eligible

1	federal revenues received by the state generated from Outer Continental
2	Shelf oil and gas activity shall be credited to the Coastal Protection and
3	Restoration Fund and used only for purposes of coastal wetlands
4	conservation, coastal restoration, hurricane protection, and infrastructure
5	directly impacted by coastal wetland losses. (Amends Article VII, Sections
6	10(D)(2)(e), 10.2, and 10.5(B) and (C))

# DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

#### Alario

HB No. 139

Abstract: Changes the name of the "Wetlands Conservation and Restoration Fund" to the "Coastal Protection and Restoration Fund" and provides for crediting to the fund certain federal revenues generated from Outer Continental Shelf (OCS) oil and gas activity.

<u>Present constitution</u> creates the Wetlands Conservation and Restoration Fund and dedicates certain mineral revenues to the fund. Provides for use of the fund to develop and implement a program to conserve and restore Louisiana's vegetated wetlands.

<u>Proposed constitutional amendment</u> changes name of the Wetlands Conservation and Restoration Fund to the Coastal Protection and Restoration Fund. Changes use of the fund to a program to protect and restore Louisiana's coastal area.

Proposed constitutional amendment relative to coastal protection and restoration provides that, subject to "8g" and Bond Security and Redemption Fund requirements, federal revenues received by the state generated from OCS oil and gas activity and eligible, as provided by federal law, to be used for the purposes of <u>proposed law</u> shall be deposited and credited by the treasurer to the Coastal Protection and Restoration Fund.

<u>Proposed constitutional amendment</u> further provides that such federal revenues credited to the fund shall be used only for the purposes of coastal wetlands conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetland losses.

<u>Present constitution</u> provides that maximum fund balance from mineral revenues may be set by law, but shall not be less than \$500 million. <u>Proposed constitutional amendment</u> provides that maximum fund balance does not apply to OCS revenues.

Further specifies that Act No. 513 of the 2005 R.S. (previously <u>proposed constitutional</u> <u>amendment</u>) is repealed, the amendment to the constitution proposed in such Act is withdrawn, and the secretary of state is ordered not to include the proposition contained in that Act on the ballot on November 7, 2006.

Provides for submission of the proposed amendment to the voters at the next statewide election.

(Amends Art. VII, §§10(D)(2)(e), 10.2, and 10.5(B) and (C))

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