

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 629** HLS 14RS 1197
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 4, 2014	5:30 PM	Author: ST. GERMAIN
Dept./Agy.: Transportation		Analyst: Greg Albrecht
Subject: Mineral Revenue Dedication To TTF		

FUNDS/FUNDING RE -\$50,000,000 GF RV See Note Page 1 of 1
 (Constitutional Amendment) Provides for the deposit of revenues into the Transportation Trust Fund

The bill allocates \$50 million per year of mineral revenue to the Transportation Trust Fund (TTF) for ten years, starting with FY18 and ending in FY27. This allocation would come after the other constitutional allocations are made to the Bond Security & Redemption Fund, the parish severance tax and royalty distributions, the Conservation Fund, and the 8g fund, and after the state general fund receives the base amount associated with the Budget Stabilization Fund. Of mineral revenues collected in excess of these amounts, the first \$50 million would be allocated to the TTF. Monies deposited into the TTF may be expended as all other TTF resources are expended. If a state infrastructure bank is established in law, these monies shall capitalize the bank.

To be submitted at the statewide election held on November 4, 2014.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	(\$50,000,000)	(\$50,000,000)	(\$100,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$50,000,000	\$50,000,000	\$100,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Under current law and the latest official forecast for FY18, mineral revenue collections are expected to be \$1.318 billion with the first \$94 million supporting the parish severance and royalty allocations. The next \$850 million of collections support the state general fund (this is the base amount referred to above), leaving \$374 million of excess mineral revenue in FY18. Under the provisions of Act 420 of 2013, the Budget Stabilization Fund is currently expected to be filled to its maximum balance by the end of FY16, and these excess collections will also be supporting the state general fund. Thus, the bill's \$50 million dedication to the TTF is funded entirely by the state general fund in FY18 and beyond, through FY27.

The Conservation Fund and 8(g) Fund are not affected by the bill as they have their own revenue flows, and are not included in the revenue flows discussed above. The maximum balance of the Budget Stabilization Fund is recalculated each year and forecasts of mineral revenue will change, as well. Thus, specific affected amounts in each fiscal can differ from those above, but it will take a substantial drop in total mineral revenue collections from currently anticipated levels for the dedication provided in this bill to not be achieved.

- | | | | |
|---|----------------------------|-------|--|
| Senate | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

John D. Carpenter
Legislative Fiscal Officer