
DIGEST

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HB 562 Original

2015 Regular Session

Havard

Abstract: Requires the Revenue Estimating Conference to designate certain general fund money from mineral revenue as nonrecurring based on the projected price of oil and requires that such money be spent on payments towards the UAL.

Proposed law requires the Revenue Estimating Conference (REC) to disclose in the official forecast for each fiscal year the price per barrel of oil used to determine mineral revenues in the official forecast (forecast price) and the highest actual price per barrel of oil in the prior calendar year (highest actual price).

Proposed law requires the REC to designate certain revenues as nonrecurring if the forecast price is greater than 90% of the actual price. Revenues estimated to be available to the state general fund (direct) based on the forecast price in excess of 90% of the highest actual price shall be designated as nonrecurring.

Present law provides for the uses of nonrecurring revenue. 25% of nonrecurring revenue shall be deposited into the Budget Stabilization Fund until the balance of the fund is equal to 4% of total state revenue receipts for the previous fiscal year. Authorized nonrecurring revenue may be used for the unfunded accrued liability (UAL) of the La. State Employees' Retirement System (LASERS) and Teachers' Retirement System of La. (TRSL) for application to the balance of the UAL as of June 30, 1988. Present law specifies that, for FY 2015-16, at least 10% of nonrecurring money shall be appropriated towards the balance of the UAL of LASERS and TRSL as of June 30, 1988.

Proposed law requires the executive budget and appropriations to reserve the money designated as nonrecurring by the REC under proposed law that is not reserved for the Budget Stabilization Fund to appropriations towards the balance of the UAL of LASERS and TRSL as of June 30, 1988.

(Adds R.S. 39:24(G), 34(B)(3), and 54(B)(2)(d))