

1 ~~or conditions thereof require otherwise, the treasurer shall make the following~~
2 ~~allocations:~~

3 ~~(1) To the Bond Security and Redemption Fund as provided in Article VII,~~
4 ~~Section 9(B) of this constitution.~~

5 ~~(2) To the political subdivisions of the state as provided in Article VII,~~
6 ~~Sections 4(D) and (E) of this constitution.~~

7 ~~(3) As provided by the requirements of Article VII, Sections 10-A and 10.1~~
8 ~~of this constitution.~~

9 ~~(B)(1) After making the allocations provided for in Paragraph (A), the The~~
10 ~~treasurer shall then deposit in and credit to the Coastal Protection and Restoration~~
11 ~~Fund any amount of mineral revenues that may be necessary to insure that a total of~~
12 ~~five million dollars is deposited into such fund for the fiscal year from this source;~~
13 ~~provided that the balance of the fund which consists of mineral revenues from~~
14 ~~severance taxes, royalty payments, bonus payments, or rentals shall not exceed an~~
15 ~~amount provided by law, but in no event shall the amount provided by law be less~~
16 ~~than five hundred million dollars. deposited into the fund as provided in Article VII,~~
17 ~~Section 10.15 of this constitution.~~

18 ~~(2) After making the allocations and deposits provided for in Paragraphs (A)~~
19 ~~and (B)(1) of this Section, the treasurer shall deposit in and credit to the Coastal~~
20 ~~Protection and Restoration Fund as follows:~~

21 ~~(a) Ten million dollars of the mineral revenues in excess of six hundred~~
22 ~~million dollars which remain after the allocations provided for in Paragraph (A) are~~
23 ~~made by the treasurer.~~

24 ~~(b) Ten million dollars of the mineral revenues in excess of six hundred fifty~~
25 ~~million dollars which remain after the allocations provided in Paragraph (A) are~~
26 ~~made by the treasurer.~~

27 ~~However, the balance of the fund which consists of mineral revenues from~~
28 ~~severance taxes, royalty payments, bonus payments, or rentals shall not exceed an~~

1 amount provided by law, but in no event shall the amount provided by law be less
2 than five hundred million dollars.

3 (C) The money in the fund shall be invested as provided by law and any earnings
4 realized on investment of money in the fund shall be deposited in and credited to the fund.
5 Money from other sources, such as donations, appropriations, or dedications, may be
6 deposited in and credited to the fund; ~~however, the balance of the fund which consists of~~
7 ~~mineral revenues from severance taxes, royalty payments, bonus payments, or rentals shall~~
8 ~~not exceed an amount provided by law, but in no event shall the amount provided by law be~~
9 ~~less than five hundred million dollars.~~ Any unexpended money remaining in the fund at the
10 end of the fiscal year shall be retained in the fund.

11 * * *

12 §10.3. Budget Stabilization Fund

13 Section 10.3.(A) There is hereby established in the state treasury a Budget
14 Stabilization Fund hereinafter referred to as the fund. Money shall be deposited in
15 the fund as follows:

16 * * *

17 (2)(a) ~~All Mineral revenues received in each fiscal year by the state~~
18 ~~deposited into and credited to the fund pursuant to Article VII, Section 10.15 of this~~
19 ~~constitution. in excess of seven hundred fifty million dollars, hereinafter referred to~~
20 ~~as the base, as a result of the production of or exploration for minerals, hereinafter~~
21 ~~referred to as mineral revenues, including severance taxes, royalty payments, bonus~~
22 ~~payments, or rentals, and excluding such revenues designated as nonrecurring~~
23 ~~pursuant to Article VII, Section 10(B) of the constitution, any such revenues received~~
24 ~~by the state as a result of grants or donations when the terms or conditions thereof~~
25 ~~require otherwise, and revenues derived from any tax on the transportation of~~
26 ~~minerals, shall be deposited in the fund after the following allocations of said~~
27 ~~mineral revenues have been made:~~

28 (i) ~~To the Bond Security and Redemption Fund as provided by Article VII,~~
29 ~~Section 9 (B) of this constitution.~~

1 (B) Allocation of Mineral Revenues. All mineral revenues remaining after
2 the allocations provided in Subparagraphs (1) through (6) of Paragraph (A) of this
3 Section shall be annually distributed in the following order:

4 (1) The treasurer shall deposit in and credit to the Coastal Protection and
5 Restoration Fund any such remaining revenues, not to exceed five million dollars per
6 year.

7 (2) The treasurer shall then deposit in and credit to the Transportation Trust
8 Fund any remaining revenues, not to exceed fifty million dollars per year. Mineral
9 revenues deposited into the Transportation Trust Fund pursuant to this Subparagraph
10 shall only be used for the following:

11 (a) The first twenty-five million dollars of the total monies deposited into the
12 Transportation Trust Fund pursuant to this Subparagraph shall be used exclusively
13 for state highway pavement and bridge sustainability projects.

14 (b) The next ten million shall be used exclusively for highway priority
15 program projects classified as capacity projects.

16 (c) The next ten million dollars shall be used exclusively for port
17 construction and development priority program projects.

18 (d) The next five million shall be available for use by a state transportation
19 infrastructure bank and may be transferred to a fund created for such purpose.

20 (3) The legislature shall appropriate any remaining revenues, not to exceed
21 five hundred million dollars per year, to the state retirement systems. Such money
22 shall be allocated to each state retirement system for the payment of unfunded
23 accrued liabilities in proportion to the balance of unfunded accrued liabilities of each
24 such system. For each system, such allocation shall be applied to the oldest
25 outstanding liability as defined by law. Any allocations provided under this
26 Subparagraph shall not be used, directly or indirectly, to fund cost-of-living increases
27 for such systems.

28 (4) The legislature shall appropriate any remaining revenues, not to exceed
29 forty million dollars per year, to the state retirement systems to provide for cost-of-

1 living adjustments. Such money shall be allocated to each system in proportion to
2 the total annual benefits paid to retirees and beneficiaries by that system.

3 (5) The treasurer shall then deposit in and credit to the Coastal Protection
4 and Restoration Fund any remaining revenues, not to exceed ten million dollars per
5 year.

6 (6) The legislature shall appropriate any remaining revenues, not to exceed
7 forty million dollars per year, to the state retirement systems to provide for cost-of-
8 living adjustments. Such money shall be allocated to each system in proportion to
9 the total annual benefits paid to retirees and beneficiaries by that system.

10 (7) The treasurer shall then deposit in and credit to the Coastal Protection
11 and Restoration Fund any remaining revenues, not to exceed ten million dollar per
12 year.

13 (8) The treasurer shall then deposit in and credit to the Transportation Trust
14 Fund any remaining revenues, not to exceed forty million dollars per year. Mineral
15 revenues deposited into the Transportation Trust Fund pursuant to this Subparagraph
16 shall only be used for the following:

17 (a) The first twenty million dollars of the total monies deposited into the
18 Transportation Trust Fund pursuant to this Subparagraph shall be used exclusively
19 for state highway pavement and bridge sustainability projects.

20 (b) The next eight million shall be used exclusively for highway priority
21 program projects classified as capacity projects.

22 (c) The next eight million dollars shall be used exclusively for port
23 construction and development priority program projects.

24 (d) The next four million shall be available for use by a state transportation
25 infrastructure bank and may be transferred to a fund created for such purpose.

26 (9) The legislature shall appropriate any remaining revenues, not to exceed
27 forty-five million dollars per year, to the state retirement systems. Such money shall
28 be allocated to each state retirement system for the payment of unfunded accrued
29 liabilities in proportion to the balance of unfunded accrued liabilities of each such

1 system. For each system, such allocation shall be applied to the oldest outstanding
2 liability as defined by law. Any allocations provided under this Subparagraph shall
3 not be used, directly or indirectly, to fund cost-of-living increases for such systems.

4 (10) The treasurer shall then deposit in and credit to the Transportation Trust
5 Fund any remaining revenues, not to exceed fifty million dollars per year. Mineral
6 revenues deposited into the Transportation Trust Fund pursuant to this Subparagraph
7 shall only be used for the following:

8 (a) The first twenty-five million dollars of the total monies deposited into the
9 Transportation Trust Fund pursuant to this Subparagraph shall be used exclusively
10 for state highway pavement and bridge sustainability projects.

11 (b) The next ten million shall be used exclusively for highway priority
12 program projects classified as capacity projects.

13 (c) The next ten million dollars shall be used exclusively for port
14 construction and development priority program projects.

15 (d) The next five million shall be available for use by a state transportation
16 infrastructure bank and may be transferred to a fund created for such purpose.

17 (11) The treasurer shall then deposit in and credit to the Budget Stabilization
18 Fund any remaining revenues, subject to the limitations of Article VII, Section
19 10.3(C)(4) of this constitution.

20 (12) The treasurer shall then deposit in and credit to the Transportation Trust
21 Fund any remaining revenues, not to exceed one hundred million dollars per year.
22 Mineral revenues deposited into the Transportation Trust Fund pursuant to this
23 Subparagraph shall only be used for the following:

24 (a) The first fifty million dollars of the total monies deposited into the
25 Transportation Trust Fund pursuant to this Subparagraph shall be used exclusively
26 for state highway pavement and bridge sustainability projects.

27 (b) The next twenty million shall be used exclusively for highway priority
28 program projects classified as capacity projects.

1 (c) The next twenty million dollars shall be used exclusively for port
2 construction and development priority program projects.

3 (d) The next ten million shall be available for use by a state transportation
4 infrastructure bank and may be transferred to a fund created for such purpose.

5 (13) The legislature shall appropriate any remaining revenues, not to exceed
6 three hundred million dollars per year, to the state retirement systems. Such money
7 shall be allocated to each state retirement system for the payment of unfunded
8 accrued liabilities in proportion to the balance of unfunded accrued liabilities of each
9 such system. For each system, such allocation shall be applied to the oldest
10 outstanding liability as defined by law. Any allocations provided under this
11 Subparagraph shall not be used, directly or indirectly, to fund cost-of-living increases
12 for such systems.

13 (14) The treasurer shall then deposit in and credit to the Transportation Trust
14 Fund any remaining revenues.

15 (C) For purposes of this Section, mineral revenues shall include severance
16 taxes, royalty payments, bonus payments, or rentals, with the following exceptions:
17 (1) revenues designated as nonrecurring pursuant to Article VII, Section 10(B) of the
18 constitution, (2) revenues received by the state as a result of grants or donations
19 when the terms or conditions thereof require otherwise, and (3) revenues derived
20 from any tax on the transportation of minerals.

21 Section 2. Be it further resolved that the provisions of this amendment shall become
22 effective on July 1, 2017.

23 Section 3. Be it further resolved that this proposed amendment shall be submitted
24 to the electors of the state of Louisiana at the statewide election to be held on November 8,
25 2016.

26 Section 4. Be it further resolved that on the official ballot to be used at the election,
27 there shall be printed a proposition, upon which the electors of the state shall be permitted
28 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
29 follows:

1 Do you support an amendment to dedicate all mineral revenues for specific
 2 purposes, including transportation, retirement, the Budget Stabilization Fund,
 3 and coastal protection? (Effective July 1, 2017) (Amends Article VII,
 4 Sections 10.2(A), (B), and (C) and 10.3(A)(2); Adds Article VII, Section
 5 10.15)

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 504 Original

2016 Regular Session

Ivey

Abstract: Requires mineral revenues not already dedicated to certain funds to be dedicated towards transportation, retirement, the Budget Stabilization Fund, and coastal protection.

Present constitution (Art. VII, §10.2(A), (B), and (C) and 10.3(A)(2)) dedicates a portion of the state mineral revenues, after allocations to the Bond Security and Redemption Fund, allocations of severance tax and royalties to political subdivisions of the state, the Conservation Fund, the Louisiana Education Quality Permanent Trust Fund, and the Louisiana Education Quality Support Fund. The Coastal Protection and Restoration Fund receives allocations of \$5 million, an additional \$10 million of the mineral revenues in excess of \$600 million, and an additional \$10 million of mineral revenues in excess of \$650 million. The Budget Stabilization Fund receives allocations in excess of a base amount, which may be adjusted by law. The current base amount by law is \$950 million.

Proposed constitutional amendment deletes the allocations of state mineral revenues to the Coastal Protection and Restoration Fund and the Budget Stabilization Fund and requires mineral revenues, including severance taxes, royalty payments, bonus payments, or rentals, and excluding such revenues designated as nonrecurring, revenues received by the state as a result of grants or donations when the terms or conditions thereof require otherwise, and revenues derived from any tax on the transportation of minerals, shall be available only for payments toward retirement liabilities after the following allocations of said mineral revenues have been made:

- (1) To the Bond Security and Redemption Fund.
- (2) The severance tax and royalties allocated to the political subdivisions of the state.
- (3) Deposits required into the Conservation Fund and the Louisiana Education Quality Trust Fund and Louisiana Education Quality Support Fund.
- (4) Deposits into the Coastal Protection and Restoration Fund.
- (5) Deposits into the Mineral Revenue and Audit Settlement Fund.

Proposed constitutional amendment requires deposits and allocations in the following order:

- (1) Up to \$5 million to the Coastal Protection and Restoration Fund.
- (2) Up to \$50 million to the Transportation Trust Fund, to be used as follows:

- (a) The first \$25 million for state highway pavement and bridge sustainability projects.
 - (b) The next \$10 million for highway priority program projects classified as capacity projects.
 - (c) The next \$10 million for port construction and development priority program projects.
 - (d) The next \$5 million for use by a state transportation infrastructure bank.
- (3) Up to \$500 million to the state retirement systems. Such money shall be allocated to each state retirement system in proportion to the balance of unfunded accrued liabilities of each such system. For each system, such allocation shall be applied to the oldest outstanding liability as defined by law. Such allocation shall not be used, directly or indirectly, to fund cost-of-living increases for such systems.
- (4) Up to \$40 million per year to the state retirement systems to provide for cost-of-living adjustments. Such money shall be allocated to each system in proportion to the total annual benefits paid to retirees and beneficiaries by that system.
- (5) Up to \$10 million per year to the Coastal Protection and Restoration Fund.
- (6) Up to \$40 million per year to the state retirement systems to provide for cost-of-living adjustments. Such money shall be allocated to each system in proportion to the total annual benefits paid to retirees and beneficiaries by that system.
- (7) Up to \$10 million per year to the Coastal Protection and Restoration Fund.
- (8) Up to \$40 million to the Transportation Trust Fund, to be used as follows:
 - (a) The first \$20 million for state highway pavement and bridge sustainability projects.
 - (b) The next \$8 million for highway priority program projects classified as capacity projects.
 - (c) The next \$8 million for port construction and development priority program projects.
 - (d) The next \$4 million for use by a state transportation infrastructure bank.
- (9) Up to \$45 million to the state retirement systems. Such money shall be allocated to each state retirement system in proportion to the balance of unfunded accrued liabilities of each such system. For each system, such allocation shall be applied to the oldest outstanding liability as defined by law. Such allocation shall not be used, directly or indirectly, to fund cost-of-living increases for such systems.
- (10) Up to \$50 million to the Transportation Trust Fund, to be used as follows:
 - (a) The first \$25 million for state highway pavement and bridge sustainability projects.
 - (b) The next \$10 million for highway priority program projects classified as capacity projects.
 - (c) The next \$10 million for port construction and development priority program projects.
 - (d) The next \$5 million for use by a state transportation infrastructure bank.
- (11) To the Budget Stabilization Fund, until it reaches its capacity.
- (12) Up to \$100 million to the Transportation Trust Fund, to be used as follows:
 - (a) The first \$50 million for state highway pavement and bridge sustainability projects.

- (b) The next \$20 million for highway priority program projects classified as capacity projects.
 - (c) The next \$20 million for port construction and development priority program projects.
 - (d) The next \$10 million for use by a state transportation infrastructure bank.
- (13) Up to \$300 million per year, to the state retirement systems. Such money shall be allocated to each state retirement system in proportion to the balance of unfunded accrued liabilities of each such system. For each system, such allocation shall be applied to the oldest outstanding liability as defined by law. Any allocations provided under this Subparagraph shall not be used, directly or indirectly, to fund cost-of-living increases for such systems.
- (14) Any remaining money, to be deposited into the Transportation Trust Fund.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2016.

Effective on July 1, 2017.

(Amends Const. Art. VII, §§10.2(A), (B), and (C) and 10.3(A)(2); Adds Const. Art. VII, §10.15)