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## DIGEST

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HB 617 Original

2016 Regular Session

Gregory Miller

**Abstract:** Provides for changes to the Budget Stabilization Fund and allocations of mineral revenues.

Present law establishes the Budget Stabilization Fund and provides for various deposits into the fund including 25% of any nonrecurring revenues and mineral revenues collected by the state over a base amount of \$950 million. Further authorizes the legislature to increase the base amount every 10 years.

Proposed law decreases the base amount from \$950 million to \$700 million and eliminates the authority for the legislature to increase the base amount over which mineral revenues would be deposited into the fund.

Present law prohibits the appropriation or deposit of any money into the fund if the deposit would cause the balance of the fund to be more than 4% of the total state revenue receipts for the previous year.

Proposed law increases the cap for deposits or appropriations into the fund from 4% of the total state revenue for the previous year to the following:

- (1) 6% beginning in Fiscal Year 2018-2019.
- (2) 10% beginning in Fiscal Year 2019-2020, and for each fiscal year after.

Present law requires that except pursuant to a specific appropriation by the legislature, or deposit of nonrecurring revenues, no appropriation or deposit will be made into the fund in a year in which the fund is used or until the official forecast is more than actual collections of state general fund (direct) revenue for Fiscal Year 2008. Further, present law is null, void, and of no effect on July 1, 2017.

Proposed law deletes provision in present law restricting deposits until the official forecast is more than actual collections of state general fund (direct) revenue for Fiscal Year 2008.

Proposed law further deletes provision that present law is null, void, and no effect on July 1, 2017.

Proposed law further requires that no appropriation or deposit will be made into the fund in the year following the year when the fund was used.

Proposed law provides that mineral revenues that would otherwise be deposited into the fund, but

can not because the fund has reached its cap, be appropriated against the unfunded accrued liability of the public retirement systems.

Present law provides for the deposit of taxes imposed in present law into the Transportation Trust Fund (TTF) in an amount equal to the increase in general fund revenues from an increase in the base from \$850 million to \$950 million authorized by the legislature in the 2015 Regular Session of the Legislature.

Proposed law changes present law to clarify that based on the changes to the base provided in proposed law, the TTF will receive revenues in excess of base mineral revenues of \$600 million, not to exceed \$100 million on a fiscal year.

Effective if and when the proposed amendment of Article VII, Section 10.3 of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_\_\_ of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:94(A)(2)(a)(intro. para.) and (b), (C)(4) and R.S. 48:77(A); Adds R.S. 39:94(C)(5) and (D))