
DIGEST

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HB 485 Original

2018 Regular Session

Shadoin

Abstract: Eliminates certain constitutional dedications of revenue and certain treasury funds.

Louisiana Education Quality Trust Fund and Louisiana Quality Education Support Fund

Present constitution creates the La. Education Quality Trust Fund (Const. Art. 7, §10.1) and deposits into the trust, revenues from the federal government related to mineral activities on the Outer Continental Shelf. Further prohibits appropriations from the trust and provides that once the balance of the trust reaches \$2 billion, all recurring revenues in the trust are deposited into the state general fund. Proposed constitutional amendment changes the name of the trust from La. Education Quality Trust Fund to the La. Quality Trust Fund.

Present constitution further creates the La. Quality Education Support Fund and deposits into the fund 75% of certain revenues into the trust and interest earnings from the trust. The monies in the fund are available for appropriation only for educational purposes. Proposed constitutional amendment eliminates the La. Quality Education Support Fund. Further, changes the source receiving the deposit of 75% of revenues that go into the trust and interest earnings from the La. Quality Education Support Fund to the state general fund.

Louisiana Fund and Millennium Trust: the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund

Present constitution creates the Millennium Trust (Const. Art. 7, §10.8) and deposits 75% of the monies received from the multi-state tobacco settlement agreement into the trust. Present constitution further creates the La. Fund (Const. Art. 7, §10.9) and deposits 25% of the monies received from the multi-state tobacco settlement agreement. The monies in the La. Fund are available for use for health care and educational purposes. Proposed constitutional amendment requires that, beginning July 1, 2019, all money received as a result of the tobacco settlement agreement be deposited into the state general fund and eliminates the La. Fund in the constitution.

Present constitution further creates three funds within the Millennium Trust: the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund. Present constitution allocates 1/3 of the interest earnings on the trust to the Health Excellence Fund and the Education Excellence Fund. Monies in the Health Excellence Fund are available only for certain healthcare related purposes and the monies in the Education Excellence Fund are available only for certain education related purposes. Present constitution allocates all of the monies received from the multi-state tobacco

settlement agreement and deposited into the Millennium Trust into the TOPS Fund and further allocates 1/3 of the interest earnings on the trust to the TOPS Fund. Monies in the TOPS Fund can be used only for financial assistance for students attending La. institutions of higher education.

Proposed constitutional amendment eliminates the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund in the constitution.

Proposed constitutional amendment changes the source receiving all of the monies from the tobacco settlement agreement and deposited into the Millennium Trust from the TOPS Fund to the state general fund. Further changes the source receiving the interest earnings on the trust from an allocation of 1/3 of the amount to the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund to the state general fund.

Millennium Leverage Fund

Present constitution creates the Millennium Leverage Fund and authorizes the legislature to provide by law for a portion of the monies received from the multi-state tobacco settlement agreement to be deposited into the fund (Const. Art. 7, §10.10). Further authorizes the State Bond Commission to issue bonds secured by a portion of the monies deposited into the fund.

Present constitution provides that the legislature may annually appropriate the bond proceeds credited to the Millennium Leverage Fund and authorizes appropriations to the TOPS Fund, the Health Excellence Fund, the Education Excellence Fund, and the Louisiana Fund.

Proposed constitutional amendment deletes authority for the legislature to annually appropriate the bond proceeds and instead provides for the treasurer to deposit into the state general fund, the bond proceeds that are credited to the Millennium Leverage Fund.

Proposed constitutional amendment deletes the authorization for appropriations to the TOPS Fund, the Health Excellence Fund, the Education Excellence Fund, and the Louisiana Fund.

Lottery Proceeds Fund

Present constitution authorizes the legislature to create a state lottery and requires that the net proceeds be deposited into the Lottery Proceeds Fund and used to fund the Minimum Foundation Program (Const. Art. 12, §6). Proposed constitutional amendment eliminates the Lottery Proceeds Fund and deletes the requirement that the net lottery proceeds be used to fund the Minimum Foundation Program.

Transportation Trust Fund

Present constitution creates the Transportation Trust Fund (Const. Art. 7, §27) and deposits into the trust certain taxes on certain fuels and vehicle licenses (Const. Art. 7, §5). Proposed constitutional amendment changes the dedication of the tax on vehicle licenses from the Transportation Trust Fund

to the state general fund. Proposed constitutional amendment retains present constitution regarding the deposit of taxes on fuels into the fund through FY 1991-2018. For the fiscal year beginning on July 1, 2019, and thereafter dedicates the one cent of the taxes levied on fuels to the Parish Transportation Fund, the amount necessary to satisfy revenues pledged for debt service on Jan. 1, 2019, and deposits of other taxes on fuels into the trust as may be provided by law.

Additional Constitutional Dedications

Proposed constitutional amendment eliminates the following special treasury funds in the constitution and the constitutional requirements regarding these funds:

Coastal Protection and Restoration Fund	Const. Art 7, §10.2
Higher Education La. Partnership Fund	Const. Art 7, §10.4
La. Investment Fund for Enhancement	Const. Art 9, §10
Mineral Revenue Audit and Settlement Fund	Const. Art 7, §10.5
Revenue Stabilization Trust Fund	Const. Art 7, §10.15

Authorizes and directs the state treasurer to transfer any unencumbered balances remaining in the funds eliminated in the proposed constitutional amendment to the state general fund after satisfying the appropriations for FY 2018-2019.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2018.

Effective July 1, 2019.

(Amends Const. Art. VI, §38.1(C), Const. Art. VII, §§4.1, 5, 10.1(A) and (B), 10.8(A)(1) and (B), 10.10(D), and 27(A) and (B)(1), and Const. Art. XII, §6(A)(1); Repeals Const. Art. VII, §10(F)(4)(h), 10.1(C) and (D), 10.2, 10.4, 10.5, 10.8(A)(2), (3), (4), and (5) and (C), 10.9, 10.15, and 10.16 and Const. Art. IX, §10)