

2025 Regular Session

HOUSE BILL NO. 678 (Substitute for House Bill No. 472 by Representative Emerson)

BY REPRESENTATIVE EMERSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING: (Constitutional Amendment) Modifies disposition of certain state revenues through repeal of the Revenue Stabilization Trust Fund and deposits of certain revenue streams into the Budget Stabilization Fund

1 AN ACT  
2 To amend Article VII, Sections 10(D)(2)(d) and 10.3(A) of the Constitution of Louisiana,  
3 to enact Article VII, Section 10.3(D), and to repeal Article VII, Sections 10(F)(4)(h),  
4 10.3(C)(5), and 10.15 of the Constitution of Louisiana, relative to revenue and  
5 finance; to provide with respect to monies in the state treasury; to modify disposition  
6 of certain state revenues through repeal of the Revenue Stabilization Trust Fund and  
7 deposits of certain revenue streams into the Budget Stabilization Fund; to increase  
8 the amount of monies that may be deposited into the Budget Stabilization Fund; to  
9 align constitutional provisions regarding deposit of monies into the Budget  
10 Stabilization Fund; to make technical and conforming changes; to provide for certain  
11 deposits through the end of Fiscal Year 2026-2027; to provide for submission of the  
12 proposed amendment to the electors; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
15 elected to each house concurring, that there shall be submitted to the electors of the state of  
16 Louisiana, for their approval or rejection in the manner provided by law, a proposal to  
17 amend Article VII, Sections 10(D)(2)(d) and 10.3(A) of the Constitution of Louisiana, to  
18 read as follows:

19 §10. Expenditure of State Funds

1                   Section 10.

2   \*           \*           \*

3                   (D) Appropriations.

4   \*           \*           \*

5                   (2) Except as otherwise provided in this constitution, the appropriation or  
6 allocation of any money designated in the official forecast as nonrecurring shall be  
7 made only for the following purposes:

8   \*           \*           \*

9                   (d) ~~Providing~~ Unless prohibited by the provisions of Article VII, Section  
10 10.3 of this constitution, providing for allocation transfer or appropriation for deposit  
11 into the Budget Stabilization Fund established in Article VII, Section 10.3 of this  
12 constitution.

13   \*           \*           \*

14                   §10.3. Budget Stabilization Fund

15                   Section 10.3.(A) There is hereby established in the state treasury a Budget  
16 Stabilization Fund ~~hereinafter referred to as the fund.~~ Fund, hereafter referred to in  
17 this Section as the "fund". Money shall be deposited in the fund as follows:

18                   (1) All money available for appropriation from the state general fund and  
19 dedicated funds in excess of the expenditure limit, except funds allocated by Article  
20 VII, Section 4, Paragraphs (D) and (E), ~~shall be deposited in the fund.~~ (E).

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

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

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

(iii) ~~As provided by the requirements of Article VII, Section 10-A and 10.1 of this constitution.~~

(b) ~~The base may be increased every ten years beginning in the year 2000 by a law enacted by two-thirds of the elected members of each house of the legislature. Any such increase shall not exceed fifty percent in the aggregate of the increase in the consumer price index for the immediately preceding ten years.~~

(3) Twenty-five percent of any money designated in the official forecast as nonrecurring as provided in Article VII, Section 10(D)(2) of this ~~constitution shall be deposited in and credited to the fund.~~ constitution.

(4) (3) Any money appropriated or transferred to the fund by the legislature including any appropriation to the fund from money designated in the official forecast as provided in Article VII, Section 10(D)(2) of this ~~constitution shall be deposited in the fund.~~ constitution.

(5) (4) An amount equivalent to the money received by the state from the federal government for the reimbursement of costs associated with a federally declared disaster, not to exceed the amount of costs appropriated out of the fund for the same disaster pursuant to Subparagraph (C)(3) of this Section.

\* \* \*

(C) The money in the fund shall not be available for appropriation or use except under the following conditions:

\* \* \*

(5) (D) No ~~appropriation~~ appropriation, transfer, or deposit to the fund shall be made if such ~~appropriation~~ appropriation, transfer, or deposit would cause the balance in the fund to exceed ~~four~~ seven and one-half percent of total state revenue receipts for the previous fiscal year.

1           Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
2   elected to each house concurring, that there shall be submitted to the electors of the state of  
3   Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal  
4   Article VII, Sections 10(F)(4)(h) and 10.15 of the Constitution of Louisiana.

5           Section 3. Notwithstanding any provision of this Act to the contrary, for the  
6   remainder of Fiscal Year 2026-2027, in addition to the revenues dedicated by Art. VII,  
7   Section 10.3(A) of this constitution as provided in this Act, any revenues received in Fiscal  
8   Year 2026-2027 by the state after the effective date of this Section in excess of nine hundred  
9   fifty million dollars as a result of the production of or exploration for minerals, hereinafter  
10   referred to as mineral revenues, including severance taxes, royalty payments, bonus  
11   payments, or rentals, and excluding such revenues designated as nonrecurring pursuant to  
12   Article VII, Section 10(D) of the constitution as provided in this Act, any such revenues  
13   received by the state as a result of grants or donations when the terms or conditions thereof  
14   require otherwise, and revenues derived from any tax on the transportation of minerals, shall  
15   be deposited into the Budget Stabilization Fund after the following allocations of the mineral  
16   revenues have been made:

17           (A) To the Bond Security and Redemption Fund as provided by Article VII, Section  
18   9(B) of this constitution, as provided in this Act.

19           (B) To the political subdivisions as provided in Article VII, Sections 4 (D) and (E)  
20   of this constitution, as provided in this Act.

21           (C) To the Louisiana Wildlife and Fisheries Conservation Fund and the Louisiana  
22   Education Quality Support Fund, as provided by law.

23           Section 4. 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 3,  
25   2026.

26           Section 5. 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 redistribute certain state revenues by  
 2 repealing the Revenue Stabilization Trust Fund, increasing the total amount  
 3 of monies that can be held in the Budget Stabilization Fund, and authorizing  
 4 transfers into the Budget Stabilization Fund and to make technical and  
 5 conforming changes? (Amends Article VII, §§10(D)(2)(d) and 10.3(A); Adds  
 6 Article VII, §10.3(D); Repeals Article VII, §§10(F)(4)(h), 10.3(C)(5), and  
 7 10.15)

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### 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)]

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HB 678 Original

2025 Regular Session

Emerson

**Abstract:** Modifies disposition of state revenues through repeal of the Revenue Stabilization Trust Fund and of deposits of mineral revenues into the Budget Stabilization Fund.

### BUDGET STABILIZATION FUND

Present constitution (Art. VII, §10.3) establishes the Budget Stabilization Fund and provides for the deposit and uses of monies in the fund.

Present constitution requires the following monies be deposited into the fund:

- (1) All money available for appropriation from the state general fund and dedicated funds in excess of the expenditure limit.
- (2) 25% of any money designated in the official forecast as nonrecurring.
- (3) Any money appropriated to the fund by the legislature.
- (4) All remaining revenues received in each fiscal year by the state in excess of \$950M as a result of the production of or exploration for minerals after certain required allocations. Further defines minerals for the purposes of present constitution. Authorizes the threshold amount to be increased under certain circumstances.
- (5) An amount equivalent to the money received by the state from the federal government for the reimbursement of costs associated with a federally declared disaster, not to exceed certain limits.

With respect to the deposit of mineral revenues for the remainder of the fiscal year in which proposed constitutional amendment is ratified (Fiscal Year 2026-2027), proposed constitutional amendment (Section 3 of this Act) retains present constitutional requirements. Beginning Fiscal Year 2027-2028, proposed constitutional amendment repeals the requirement to deposit mineral revenues into the fund. Otherwise retains present constitution.

Present constitution prohibits use of monies in the fund unless certain conditions are met. Further requires monies in the fund to be invested as provided by law and earnings realized

each fiscal year on such investment to be deposited to the credit of the fund. Requires unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund. Additionally in any fiscal year, prohibits use of more than 1/3 of the fund balance as of the beginning of the current fiscal year. Proposed constitutional amendment retains present constitution.

Present constitution prohibits appropriation or deposit to the fund if it will cause the balance in the fund to exceed four percent of total state revenue receipts for the previous fiscal year. Proposed constitutional amendment increases this cap from four percent to seven and one-half of one percent of total state revenue receipts for the previous fiscal year.

### **REVENUE STABILIZATION TRUST FUND**

Present constitution (Art. VII, §10.15) establishes the Revenue Stabilization Trust Fund in the treasury. Requires deposit into the fund of certain mineral revenues as required by present constitution (Art. VII, §10.16) and revenues in excess of \$600M received each fiscal year from corporate franchise and income taxes. Requires investment by the treasurer of fund monies in a manner provided by law. Further requires deposit into the state general fund of all interest or other income from investment of Revenue Stabilization Trust Fund monies. With certain exceptions, authorizes appropriation from the fund only if the balance of the fund at the beginning of the fiscal year exceeds \$5B (minimum fund balance) and then caps the appropriation at 10% (allowable percentage) of the fund balance. If appropriation is authorized by these circumstances, present constitution limits the appropriation to capital outlay projects in the comprehensive state capital budget and transportation infrastructure. Present constitution authorizes the legislature to change the minimum fund balance or the allowable percentage by a law enacted by 2/3 of the legislature.

Present constitution further provides that in order to ensure the money in the fund is available for appropriation in an emergency, the legislature may authorize an appropriation from the fund at any time for any purpose only after the consent of 2/3 of the members of each house. Provides that the 2/3 consent may be satisfied upon obtaining written consent in a manner provided by law.

Proposed constitutional amendment repeals present constitution.

### **USE OF STATE MONIES**

Present constitution (Art. VII, §10) authorizes deposit of nonrecurring revenues into the Budget Stabilization Fund. Present constitution (Art. VII, §10.3) caps the amount of any monies that may be deposited into the Budget Stabilization Fund. Proposed constitutional amendment prohibits deposit of nonrecurring revenues in excess of the deposit cap provided in present constitution for the fund.

### **TECHNICAL AND CONFORMING CHANGES**

Proposed constitutional amendment makes technical changes to present constitution and further makes conforming changes to align with changes in proposed constitutional amendment.

### **SUBMISSION TO VOTERS**

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2026.

(Amends Article VII, §§10(D)(2)(d) and 10.3(A); Adds Article VII, §10.3(D); Repeals Article VII, §§10(F)(4)(h), 10.3(C)(5), and 10.15)