

2015 Regular Session

SENATE BILL NO. 146

BY SENATOR CLAITOR

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

FUNDS/FUNDING. Provides relative to the Budget Stabilization Fund. (See Act)

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AN ACT

To amend and reenact R.S. 39:94(A)(3) and (C)(4), and to enact R.S. 39:94(C)(5), relative to the Budget Stabilization Fund; to provide for a maximum balance in the fund; to provide for the interruption and resumption of deposits into the Budget Stabilization Fund in certain circumstances; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:94(A)(3) and (C)(4) are hereby amended and reenacted, and R.S. 39:94(C)(5) is enacted to read as follows:

§94. Budget Stabilization Fund

A. There is hereby created in the state treasury a special fund to be designated as the Budget Stabilization Fund, hereafter referred to in this Section as the "fund", which shall consist of all money deposited into the fund in accordance with Article VII, Section 10.3 of the Constitution of Louisiana. Money shall be deposited in the fund as follows:

* * *

(3) ~~The greater of twenty-five million dollars from any source, or twenty-~~

1 amendment of Article VII, Section 10.3 of the Constitution of Louisiana contained in the Act
 2 which originated as Senate Bill No. ____ of this 2015 Regular Session of the Legislature is
 3 adopted at the statewide election to be held on October 24, 2015, and becomes effective.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

SB 146 Original

2015 Regular Session

Claitor

Present law establishes the Budget Stabilization Fund in the state treasury and provides the following revenues are to be deposited into the fund:

- (1) Monies available for appropriation in excess of the expenditure limit.
- (2) All mineral revenues received by the state in each fiscal year in excess of the base, which, by legislative act, was increased to \$850 million.
- (3) Annually, the greater of \$25 million from any source, or 25% of any money designated in the official forecast as nonrecurring.
- (4) Any other monies appropriated to the fund by the legislature including any monies declared to be nonrecurring.

Proposed law retains present law, except deletes the requirement of an annual deposit into the fund of \$25 million from any source.

Present law permits up to 1/3 of the Budget Stabilization Fund, subject to 2/3 approval of each house of the legislature, to be incorporated in the next fiscal year's official forecast if revenue estimates for the next fiscal year are less than the official forecast for the current fiscal year. Present law further permits up to 1/3 of the Budget Stabilization Fund, subject to 2/3 approval of each house of the legislature, to be appropriated for the current fiscal year budget if a deficit for the current fiscal year is projected due to a decrease in the official forecast. Proposed law retains present law.

Present law provides that appropriations or deposits to the fund shall not be made if such would cause the balance in the fund to exceed 4% of total state revenue receipts for the previous fiscal year. Proposed law retains present law but provides that the maximum amount in the fund shall not exceed \$1 billion.

Present law provides that except pursuant to a specific appropriation by the legislature, no appropriation or deposit to the fund shall be made in the same fiscal year as an appropriation, use or withdrawal is made from the fund or until such time as the official forecast exceeds the actual collections of state general fund (direct) revenue for Fiscal Year 2008. The provisions of this Subparagraph shall be null, void, and of no effect on July 1, 2017. Proposed law retains present law.

Proposed law further provides that no deposit of mineral revenues shall be made in the fiscal year for which money in the fund is appropriated or used as provided in present law nor in the ensuing fiscal year, except by specific appropriation by the legislature. Thereafter, deposits to the fund from mineral revenues shall resume on an incremental basis not to exceed \$75 million dollars per fiscal year, except by specific appropriation by the legislature.

Effective if and when the proposed amendment of Article VII, Section 10.3 of the Constitution of Louisiana contained in the Act which originated as SB ____ of the 2015 RS

is adopted at the statewide election to be held on October 24, 2015, and becomes effective.

(Amends R.S. 39:94(A)(3) and (C)(4); adds R.S. 39:94(C)(5))