

2015 Regular Session

SENATE BILL NO. 202

BY SENATOR ADLEY

FUNDS/FUNDING. Constitutional amendment to rename the Budget Stabilization Fund to the Budget and Transportation Stabilization Trust and to provide for use of monies in the fund, including the dedication of certain monies into the Transportation Trust Fund. (2/3s CA 13s 1 (A))

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10(D)(2)(d), the introductory paragraph of 10.3(A)
3 and (A)(2)(a) and (b), 10.5(B), and 27(A), and to add Article VII, Section
4 10.3(A)(2)(c) of the Constitution of Louisiana, to provide with respect to special
5 treasury funds; to rename the Budget Stabilization Fund to the Budget and
6 Transportation Stabilization Trust and to provide for its purposes; to provide for
7 increases to the base every five years; to create the Budget Stabilization Subfund and
8 the Transportation Stabilization Subfund in the Budget and Transportation
9 Stabilization Trust; to provide for the deposit of certain excess mineral revenues into
10 the Budget Stabilization Subfund, the Transportation Stabilization Subfund, and the
11 Transportation Trust Fund; to provide for the uses of monies deposited into the
12 funds; to specify an election for submission of the proposition to electors and provide
13 a ballot proposition.

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, Section 10(D)(2)(d), the introductory paragraph of 10.3(A)(2)(a) and

1 (A)(2)(b), 10.5(B), and 27(A) and to add Article VII, Section 10.3(A)(2)(c) of the
2 Constitution of Louisiana, to read as follows:

3 §10. Expenditure of State Funds

4 Section 10.

5 * * *

6 (D) Appropriations.

7 * * *

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

11 * * *

12 (d) Providing for allocation or appropriation for deposit into the Budget **and**
13 **Transportation** Stabilization ~~Fund~~ **Trust** established in Article VII, Section 10.3 of
14 this constitution.

15 * * *

16 §10.3. Budget **and Transportation** Stabilization ~~Fund~~ **Trust**

17 Section 10.3.(A) There is hereby established in the state treasury a Budget
18 **and Transportation** Stabilization ~~Fund~~ **Trust** hereinafter referred to as the fund.
19 Money shall be deposited in the fund as follows:

20 * * *

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 **in accordance with Subsubparagraph (c) of this Paragraph** after the

1 following allocations of said mineral revenues have been made:

2 * * *

3 (b) The base may be increased every ~~ten~~ **five** years beginning in the year
4 2000 by a law enacted by two-thirds of the elected members of each house of the
5 legislature. Any such increase shall not exceed fifty percent in the aggregate of the
6 increase in the consumer price index for the immediately preceding ten years.

7 (c) At the beginning of each fiscal year, the monies in the Budget and
8 Transportation Stabilization Trust as provided in Subsubparagraph (a) of this
9 Subparagraph shall be allocated and deposited into the Budget Stabilization
10 Subfund which is hereby established in the Budget and Transportation
11 Stabilization Trust as a special subfund, and into the Transportation
12 Stabilization Subfund which is hereby established in the Budget and
13 Transportation Stabilization Trust as a special subfund, as follows:

14 (i) Beginning in Fiscal Year 2015-2016, mineral revenues in excess of the
15 base shall be deposited in the Budget Stabilization Subfund until the balance in
16 the fund equals five hundred million dollars.

17 (ii) Once the balance in the Budget Stabilization Subfund equals five
18 hundred million dollars, mineral revenues shall be deposited into the
19 Transportation Stabilization Subfund at the beginning of the next fiscal year
20 until the balance in the Transportation Stabilization Subfund equals five
21 hundred million dollars. Thereafter, any excess mineral revenues shall be
22 deposited into the state general fund. The legislature may appropriate
23 additional monies into either the Budget Stabilization Subfund or the
24 Transportation Stabilization Subfund. Monies in the Transportation
25 Stabilization Subfund shall be appropriated by the legislature and used solely
26 and exclusively for planning, design, construction, and maintenance connected
27 with the state highway program. In the event that a state infrastructure bank
28 is established by law in the Transportation Trust Subfund, an amount not to
29 exceed fifty million dollars may be transferred to the Transportation Trust

1 Subfund to be used for the capitalization of the state infrastructure bank.

2 (iii) No deposit of mineral revenues shall be made as provided in Items
3 (i) and (ii) of this Subsubparagraph in any fiscal year in which money in the
4 fund is appropriated for use or incorporated into the official forecast as
5 provided in Subparagraphs (C)(1) or (2) of this Section or in the ensuing fiscal
6 year, except by specific appropriation by the legislature.

7 * * *

8 §10.5. Mineral Revenue Audit and Settlement Fund

9 Section 10.5.

10 * * *

11 (B) After making the allocations provided for in Paragraph (A), the treasurer
12 shall then deposit in and credit to the Mineral Revenue Audit and Settlement Fund
13 any such remaining revenues. Any revenues deposited in and credited to the fund
14 shall be considered mineral revenues from severance taxes, royalty payments, bonus
15 payments, or rentals for purposes of determining deposits and credits to be made in
16 and to the Coastal Protection and Restoration Fund as provided in Article VII,
17 Section 10.2 of this constitution. Any revenues deposited in and credited to the fund
18 shall not be considered mineral revenues for purposes of the Budget and
19 Transportation Stabilization Fund Trust as provided in Article VII, Section 10.3
20 of this constitution. Money in the fund shall be invested as provided by law. The
21 earnings realized in each fiscal year on the investment of monies in the Mineral
22 Revenue Audit and Settlement Fund shall be deposited in and credited to the Mineral
23 Revenue Audit and Settlement Fund.

24 * * *

25 §27. Transportation Trust Fund

26 Section 27.(A) Creation of fund. (1) Effective January 1, 1990, there shall
27 be established in the state treasury as a special permanent trust fund the
28 Transportation Trust Fund ("the trust fund") in which shall be deposited the "excess
29 revenues" as defined herein which are a portion of the avails received in each year

1 from all taxes levied on gasoline and motor fuels and on special fuels (said avails
2 being referred to as the "revenues") as provided herein. After satisfying pledges
3 respecting that portion of the revenues attributable to the tax rates in effect at the
4 time of such pledges for the payment of obligations for bonds or other evidences of
5 indebtedness on the effective date of this Section, the treasurer shall allocate such
6 portion of the revenues received in each year as necessary to pay all principal,
7 interest, premium, if any, and other obligations incident to the issuance, security, and
8 payment in respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the
9 portion of the revenues remaining shall be deposited in the Bond Security and
10 Redemption Fund in the state treasury. After ~~(1)~~ **(a)** the payment of any obligations
11 for bonds or other evidences of indebtedness in existence on the effective date of this
12 Section which are secured by revenues; ~~(2)~~ **(b)** payments in respect of bonds
13 authorized in Paragraph (C) hereof; and ~~(3)~~ **(c)** credit to the Bond Security and
14 Redemption Fund, the treasurer shall deposit in and credit to the trust fund all of the
15 revenues remaining (the "excess revenues") from the avails of all taxes levied on
16 gasoline and motor fuels and on special fuels, as follows: for the fiscal year
17 beginning July 1, 1989, the avails of twelve cents per gallon of said taxes received
18 on and after January 1, 1990; for the fiscal year beginning on July 1, 1990, the avails
19 of fourteen cents per gallon of said taxes; for the fiscal year beginning on July 1,
20 1991, and thereafter, the avails of all taxes levied on gasoline and motor fuels and
21 on special fuels. Purchases of gasoline, diesel fuel, or special fuels which are subject
22 to excise tax under Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised
23 Statutes of 1950 shall be exempt from the state sales tax and any sales tax levied by
24 a political subdivision as defined by Article VI, Section 44(2) **of the Constitution**
25 **of Louisiana**. All monies appropriated by the Federal Highway Administration and
26 the Federal Aviation Administration, or their successors, either reimbursed or paid
27 directly, shall be paid directly or deposited in and credited to the trust fund.

28 **(2) In the event that monies are transferred to the trust fund from the**
29 **Transportation Stabilization Subfund in the Budget and Transportation**

1 Stabilization Trust, such monies shall be expended and used solely for the
 2 capitalization of the state infrastructure bank, and shall not be used for any
 3 other purpose including state police for traffic control purposes.

4 * * *

5 Section 2. Be it further resolved that this proposed amendment shall be submitted
 6 to the electors of the state of Louisiana at the statewide election to be held on October 24,
 7 2015.

8 Section 3. Upon the effective date of this proposition, the treasurer shall be
 9 immediately authorized and directed to transfer any unexpended, unencumbered balance in
 10 the Budget Stabilization Fund, including all interest and principal, to the Budget and
 11 Transportation Stabilization Fund as provided in the constitutional amendment.

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

16 Do you support an amendment to rename the Budget Stabilization Fund to
 17 the Budget and Transportation Stabilization Trust; to authorize the mineral
 18 revenue base to be increased every five years; to create the Budget
 19 Stabilization Subfund as a subfund in the Trust, to be funded with mineral
 20 revenues until reaching a maximum balance of five hundred million dollars,
 21 to be appropriated and used when the state has a deficit; to create the
 22 Transportation Stabilization Subfund as a subfund in the Trust, to be funded
 23 with mineral revenues until reaching a maximum balance of five hundred
 24 million dollars, to be appropriated and used for planning, design,
 25 construction, and maintenance connected with the state highway program and
 26 the capitalization of a state infrastructure bank if one is created in the
 27 Transportation Trust Fund; and to provide for the interruption of deposits
 28 into the Budget Stabilization Subfund and the Transportation Trust Subfund
 29 the year that the state has a deficit and the following year with the resumption

1 of deposit of mineral revenues in the Budget and Transportation Stabilization
 2 Trust thereafter?
 3 (Amends Article VII, Section 10(D)(2)(d), 10.3(A)(introductory paragraph)
 4 and (A)(2)(a) and (b), 10.5(B), and 27(A); adds Article VII, Section
 5 10.3(A)(2)(c))

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

SB 202 Original

2015 Regular Session

Adley

Present constitution establishes the Budget Stabilization Fund in the state treasury. Proposed constitutional amendment changes name of the fund from the Budget Stabilization Fund to the Budget and Transportation Stabilization Trust (the Trust) in constitution.

Present constitution provides for deposits of mineral revenues in the Budget Stabilization Fund in excess of the base and authorizes the base to be increased every ten years by a law enacted by two-thirds of the elected members of each house of the legislature. Proposed constitutional amendment retains present constitution except changes the time period for the base to be increased from ten years to five years.

Proposed constitutional amendment creates the Budget Stabilization Subfund and the Transportation Stabilization Subfund in the Budget and Transportation Stabilization Trust and provides that at the beginning of each fiscal year, mineral revenues shall be allocated and deposited into the subfunds as follows:

- (1) Beginning in Fiscal Year 2015-2016, mineral revenues in excess of the base shall be deposited in the Budget Stabilization Subfund until the balance in the fund equals \$500 million.
- (2) Once the balance in the Budget Stabilization Subfund equals \$500 million, mineral revenues shall be deposited into the Transportation Stabilization Subfund at the beginning of the next fiscal year until the balance in the Transportation Stabilization Subfund equals \$500 million. Thereafter, any excess mineral revenues shall be deposited into the state general fund. The legislature may appropriate additional monies into either the Budget Stabilization Subfund or the Transportation Stabilization Subfund.

Proposed constitutional amendment provides that monies in the Transportation Stabilization Subfund shall be appropriated by the legislature and used solely and exclusively for planning, design, construction, and maintenance connected with the state highway program. In the event that a state infrastructure bank is established by law in the Transportation Trust Subfund, an amount not to exceed \$50 million may be transferred to the Transportation Trust Subfund to be used for the capitalization of the state infrastructure bank.

- (3) No deposit of mineral revenues shall be made in any fiscal year in which money in the fund is appropriated for use or incorporated into the official forecast or in the ensuing fiscal year, except by specific appropriation by the legislature.

Present constitution establishes the Transportation Trust Fund and provides that the monies in the trust fund shall be appropriated or dedicated solely and exclusively for the costs for

and associated with construction and maintenance of the roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program, or its successor, ports, airports, transit, state police for traffic control purposes, and the Parish Transportation Fund, or its successor, and the payment of bonds secured by the trust fund.

Proposed constitutional amendment retains present constitution except it provides that if monies are transferred to the Transportation Trust Fund from the Transportation Stabilization Subfund in the Budget and Transportation Stabilization Trust, such monies shall be expended and used solely for the capitalization of the state infrastructure bank, and shall not be used for any other purpose including state police for traffic control purposes.

Specifies submission of the amendment to the electors of the state of Louisiana at the statewide election to be held on October 24, 2015.

(Amends Const. Art. VII, Sec. 10(D)(2)(d), 10.3(A)(intro para) and (A)(2)(a) and (b), 10.5(B), and 27(A); adds Art VII, Sec. 10.3(A)(2)(c))