

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 148** SLS 15RS 20  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 29, 2015	4:40 PM	<b>Author:</b> GALLOT
<b>Dept./Agy.:</b>		<b>Analyst:</b> Matthew LaBruyere
<b>Subject:</b> Prescription		

PRESCRIPTION OR SEE FISC NOTE GF RV Page 1 of 1  
 Constitutional amendment to provide that private purchasers of lands belonging to the state, school board, or levee district shall gain the ability to acquire mineral interests upon prescription resulting from nonuse without interruption. (2/3-CA13s1 Present constitution provides that lands and mineral interests of the state, of a school board, or of a levee district shall not be lost by prescription except as authorized in present constitution.

Proposed constitutional amendment provides that a mineral interest of the state, of a school board, or of a levee district on land belonging to another shall be subject to the same prescription of nonuse without interruption as is provided by law for a mineral interest privately held, except that no prescriptive period shall be less than ten years. Proposed constitutional amendment further provides that for a mineral interest existing on the effective date of proposed constitutional amendment, the prescriptive period shall commence on such effective date.

Specifies submission of the amendment to the voters at the statewide election to be held on November 21, 2015.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed constitutional amendment will be considered by voters at the statewide election to be held on November 21, 2015. The Secretary of State may incur minimal ballot printing costs associated with this measure. However, as a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments for the fall statewide elections.

**REVENUE EXPLANATION**

The proposed constitutional amendment may result in a decrease in state general fund and local fund revenues as a result of allowing mineral rights held by the state, a school board or a levee board to be subject to prescription of nonuse. There is no impact for at least ten years which is outside of the time frame recognized on this fiscal note. Any future impact would occur as a result of prescription not being interrupted.

The Department of Natural Resources (DNR) has provided previous fiscal year bonuses earned on tax adjudicated state lands. The figures below are provided for informational purposes as an indicator of potential revenue that may not be earned as a result of prescription of non use on state tax adjudicated lands. The future impact of prescription is unknown.

Year	Bonus	Average Price Per Acre	Acres
2011	\$1,764,554	\$2,931	602
2012	\$2,693,747	\$205	12,833
2013	\$125,736	\$451	279
2014	\$335,660	\$580	579

These amounts above do not include royalty payments. DNR stated that the information regarding royalty payments on state tax adjudicated is not available since there is no delineation of what lands state royalties come from.

- |   |                            |       |  |
|---|----------------------------|-------|--|
| Senate  | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            |       | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}                 |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            |       | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

**John D. Carpenter**  
**Legislative Fiscal Officer**