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A JOINT RESOLUTION

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

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 10(D)(2)(d), the introductory paragraph of 10.3(A) and the introductory paragraph of 10.3(A)(2)(a) and (b), and 10.5(B), and to add Article VII, Section 10.3(A)(2)(c) of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

* * *

(D) Appropriations.

* * *

(2) Except as otherwise provided in this constitution, the appropriation or allocation of any money designated in the official forecast as nonrecurring shall be

1 made only for the following purposes:

2 * * *

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

6 * * *

7 §10.3. Budget **and Transportation** Stabilization Fund **Trust**

8 Section 10.3.(A) There is hereby established in the state treasury a Budget
9 **and Transportation** Stabilization Fund **Trust** hereinafter referred to as the fund.

10 Money shall be deposited in the fund as follows:

11 * * *

12 (2)(a) All revenues received in each fiscal year by the state in excess of
13 seven hundred fifty million dollars, hereinafter referred to as the base, as a result of
14 the production of or exploration for minerals, hereinafter referred to as mineral
15 revenues, including severance taxes, royalty payments, bonus payments, or rentals,
16 and excluding such revenues designated as nonrecurring pursuant to Article VII,
17 Section 10(B) of the constitution, any such revenues received by the state as a result
18 of grants or donations when the terms or conditions thereof require otherwise, and
19 revenues derived from any tax on the transportation of minerals, shall be deposited
20 in the fund **in accordance with Subsubparagraph (c) of this Paragraph** after the
21 following allocations of said mineral revenues have been made:

22 * * *

23 (b) The base may be increased every ~~ten~~ **five** years beginning in the year
24 ~~2000~~ **2014** by a law enacted by two-thirds of the elected members of each house of
25 the legislature. Any such increase shall not exceed fifty percent in the aggregate of
26 the increase in the consumer price index for the immediately preceding ten years.

27 **(c) At the beginning of each fiscal year, the monies in the Budget and**
28 **Transportation Stabilization Trust as provided in Subsubparagraph (a) of this**
29 **Subparagraph shall be allocated and deposited into the Budget Stabilization**
30 **Subfund which is hereby established in the Budget and Transportation**

1 Stabilization Trust as a special subfund, and into the Transportation
 2 Stabilization Subfund which is hereby established in the Budget and
 3 Transportation Stabilization Trust as a special subfund, as follows:

4 (i) Beginning in Fiscal Year 2015-2016, mineral revenues in excess of the
 5 base shall be deposited in the Budget Stabilization Subfund until the balance in
 6 the fund equals and shall be maintained in the amount of five hundred million
 7 dollars.

8 (ii) Once the balance in the Budget Stabilization Subfund equals five
 9 hundred million dollars, mineral revenues shall be deposited into the
 10 Transportation Stabilization Subfund at the beginning of the next fiscal year
 11 until the balance in the Transportation Stabilization Subfund equals and shall
 12 be maintained in the amount of five hundred million dollars. Thereafter, any
 13 excess mineral revenues shall be deposited into the state general fund. The
 14 legislature may appropriate additional monies into either the Budget
 15 Stabilization Subfund or the Transportation Stabilization Subfund. Monies in
 16 the Transportation Stabilization Subfund shall be appropriated by the
 17 legislature and used solely and exclusively for planning, design, construction,
 18 and maintenance connected with the state highway program, provided that an
 19 amount not less than twenty percent of the funds appropriated by the
 20 legislature from the Transportation Stabilization Subfund pursuant to this Item
 21 shall be used solely and exclusively for the Louisiana Intermodal Connector
 22 Program within the Department of Transportation and Development.

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

28 * * *

29 §10.5. Mineral Revenue Audit and Settlement Fund

30 Section 10.5.

* * *

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

* * *

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

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

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

Do you support an amendment to rename the Budget Stabilization Fund to the Budget and Transportation Stabilization Trust; to authorize the mineral revenue base to be increased every five years; to create the Budget Stabilization Subfund as a subfund in the Trust, to be funded with mineral

1 revenues until reaching a maximum balance of five hundred million dollars,
2 to be appropriated and used when the state has a deficit; to create the
3 Transportation Stabilization Subfund as a subfund in the Trust, to be funded
4 with mineral revenues until reaching a maximum balance of five hundred
5 million dollars, to be appropriated and used for planning, design,
6 construction, and maintenance connected with the state highway program,
7 with twenty percent dedicated for use by the Louisiana Intermodal Connector
8 Program; and to provide for the interruption of deposits into the Budget
9 Stabilization Subfund and the Transportation Trust Subfund the year that the
10 state has a deficit and the following year with the resumption of deposit of
11 mineral revenues in the Budget and Transportation Stabilization Trust
12 thereafter?
13 (Amends Article VII, Section 10(D)(2)(d), 10.3(A)(introductory paragraph)
14 and (A)(2)(a)(introductory paragraph) and (b), and 10.5(B); adds Article VII,
15 Section 10.3(A)(2)(c))

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES