

2016 Regular Session

HOUSE BILL NO. 603

BY REPRESENTATIVE LEGER

FUNDS/FUNDING: (Constitutional Amendment) Establishes the Revenue Stabilization Trust Fund

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A JOINT RESOLUTION

Proposing to add Article VII, Section 10(F)(4)(h) and 10.15 of the Constitution of Louisiana, relative to dedications of revenues; to create the Revenue Stabilization Trust Fund; to provide for deposits into the funds; to provide for investments of the fund; to provide for uses of the fund; to provide for an exception to budget deficit procedures; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

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 add Article VII, Section 10(F)(4)(h) and 10.15 of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

\* \* \*

(F) Projected Deficit.

\* \* \*

(4) The provisions of Subparagraphs (1) and (2) of this Paragraph shall not be applicable to, nor affect:

\* \* \*

1            (h) The Revenue Stabilization Trust Fund, as provided in Article VII,  
 2            Section 10.15 of this constitution.

3    \*            \*            \*

4            §10.15. Revenue Stabilization Trust Fund

5            Section 10.15. Revenue Stabilization Trust Fund. (A) The Revenue  
 6            Stabilization Trust Fund is hereby established in the state treasury a special trust  
 7            fund, hereinafter referred to as the "fund".

8            (B) After allocation of money to the Bond Redemption and Security Fund  
 9            as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the  
 10           treasurer shall deposit in and credit to the fund the revenues as provided for in  
 11           Paragraphs (C) and (D) of this Section.

12           (C)(1) The treasurer shall deposit into the fund the amount of mineral  
 13           revenues received in each year in excess of six hundred fifty million dollars and less  
 14           than nine hundred fifty million dollars. For the purpose of this Section, mineral  
 15           revenues are revenues received in each fiscal year by the state as a result of the  
 16           production or exploration for minerals and as further defined in Subparagraph (2) of  
 17           this Paragraph. The deposit of mineral revenues into the fund shall exclude the  
 18           following deposits of mineral revenues:

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

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

23           (c) To the Louisiana Wildlife and Fisheries Conservation Fund as provided  
 24           by the requirements of Article VII, Section 10-A of this constitution and as provided  
 25           by law on the effective date of this Section.

26           (d) To the Louisiana Wildlife and Fisheries Conservation Fund and the Oil  
 27           and Gas Regulatory Fund as provided by law on the effective date of this Section.

28           (e) To the Rockefeller Wildlife Refuge Trust and Protection Fund as  
 29           provided by law on the effective date of this Section.

1           (f) To the Marsh Island Operating Fund and the Russell Sage or Marsh  
2 Island Refuge Fund as provided by law on the effective date of this Section.

3           (g) To the MC Davis Conservation Fund as provided by law on the effective  
4 date of this Section.

5           (h) To the White Lake Property Fund as provided by law on the effective  
6 date of this Section.

7           (i) To the Louisiana Education Quality Trust Fund and Louisiana Education  
8 Quality Support Fund as provided in Article VII, Section 10.1 of this constitution.

9           (j) To the Coastal Protection and Restoration Fund as provided in Article  
10 VII, Section 10.2 of this constitution and as provided by law on the effective date of  
11 this Section.

12           (k) To the Mineral Revenue and Audit Settlement Fund as provided in  
13 Article VII, Section 10.5 of this constitution and as provided by law on the effective  
14 date of this Section.

15           (l) To the Budget Stabilization Fund as provided in Article VII, Section 10.3  
16 of this constitution and as provided by law on the effective date of this Section.

17           (m) An amount equal to the state general fund deposited into the  
18 Transportation Trust Fund and the Louisiana State Transportation Infrastructure  
19 Fund as provided by law on the effective date of this Section.

20           (2) For purposes of this Section, "mineral revenues" shall include severance  
21 taxes, royalty payments, bonus payments, or rentals, with the following exceptions:

22           (a) Revenues designated as nonrecurring, pursuant to Article VII, Section  
23 10(B) of this constitution.

24           (b) Revenues received by the state as a result of grants or donations when the  
25 terms or conditions thereof require otherwise.

26           (c) Revenues derived from any tax on the transportation of minerals.

27           (D) The treasurer shall deposit into the fund the amount of revenues in  
28 excess of five hundred million dollars received each fiscal year from corporate  
29 franchise and income taxes as recognized by the Revenue Estimating Conference.

1           (E)(1) Except as provided for in Paragraph (F) of this Section, monies  
2           deposited into the Revenue Stabilization Trust Fund shall be permanently credited  
3           to the trust fund and shall be invested by the treasurer in a manner provided for in  
4           law.

5           (2) The treasurer shall deposit all interest or other income from investment  
6           on the fund into the state general fund.

7           (F)(1) Except as provided in Subparagraphs (2) and (3) of this Paragraph,  
8           no appropriations shall be made from the Revenue Stabilization Trust Fund.

9           (2)(a) In any fiscal year in which the balance of the fund at the beginning of  
10          the year is in excess of five billion dollars, hereinafter referred to as the minimum  
11          fund balance, the legislature may appropriate an amount not to exceed five percent  
12          of the fund balance, hereinafter referred to as the allowable percentage, for the same  
13          purposes as money designated in the official forecast as nonrecurring pursuant to  
14          Article VII, Section 10(D)(2) of this constitution.

15          (b) The minimum fund balance or the allowable percentage may be changed  
16          by a law enacted by three-quarters of the elected members of each house of the  
17          legislature.

18          (3) In order to ensure the money in the fund is available for appropriation in  
19          an emergency, the legislature may authorize an appropriation from the fund at any  
20          time for any purpose only after the consent of three-quarters of the elected members  
21          of each house of the legislature. If the legislature is not in session, the three-quarters  
22          requirement may be satisfied upon obtaining the written consent of three-quarters of  
23          the elected members of each house of the legislature in a manner provided by law.

24          Section 2. Be it further resolved that this proposed amendment shall be submitted  
25          to the electors of the state of Louisiana at the statewide election to be held on November 8,  
26          2016.

27          Section 3. Be it further resolved that on the official ballot to be used at the election,  
28          there shall be printed a proposition, upon which the electors of the state shall be permitted

1 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
2 follows:

3 Do you support an amendment to establish the Revenue Stabilization Trust  
4 Fund for the deposit of mineral and corporate tax revenues and to restrict the  
5 use of the fund to 5% of the balance when the balance reaches \$5 billion for  
6 the same use as nonrecurring revenues unless otherwise authorized by the  
7 legislature? (Adds Article VII, Section 10(F)(4)(h) and 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 603 Original

2016 Regular Session

Leger

**Abstract:** Creates the Revenue Stabilization Trust Fund as a special treasury trust fund and deposits into the fund mineral revenues and corporate tax revenues.

Proposed constitutional amendment establishes the Revenue Stabilization Trust Fund as a special treasury trust fund.

Proposed constitutional amendment deposits into the fund mineral revenues between \$650 million and \$950 million received during the fiscal year. Further excludes the deposit into the fund of mineral revenues required under present constitution and present law, as follows:

- (1) The Bond Security and Redemption Fund.
- (2) Severance tax and royalty payments to the political subdivisions of the state.
- (3) The Louisiana Wildlife and Fisheries Conservation Fund.
- (4) The Oil and Gas Regulatory Fund.
- (5) The Rockefeller Wildlife Refuge Trust and Protection Fund.
- (6) The Marsh Island Operating Fund and the Russell Sage or Marsh Island Refuge Fund.
- (7) The MC Davis Conservation Fund.
- (8) The White Lake Property Fund.
- (9) The Louisiana Education Quality Trust Fund (the 8g Fund).
- (10) The Coastal Protection and Restoration Fund.
- (11) The Mineral Revenue Audit and Settlement Fund.
- (12) The Budget Stabilization Fund.

- (13) An amount equal to the state general fund deposited into the Transportation Trust Fund and the Louisiana State Transportation Infrastructure Fund.

Proposed constitutional amendment deposits into the fund corporate income and franchise tax revenues over \$500 million received during the fiscal year.

Proposed constitutional amendment authorizes investment of the money in the fund in the same manner as investments of the Millennium Trust as provided for in present law.

Proposed constitutional amendment deposits into the state general fund all interest and other income earned on investments of the fund.

Proposed law prohibits any appropriations from the fund, with an exception for the following:

- (1) In any fiscal year in which the balance of the fund at the beginning of the year is in excess of \$5 billion, (hereinafter the minimum fund balance), the legislature may appropriate an amount not to exceed 5% of the fund balance, (hereinafter the allowable percentage), for the same purposes as money designated in the official forecast as nonrecurring pursuant to present constitution. Those uses include:
  - (a) Retiring or defeasing debt.
  - (b) Payments against the unfunded accrued liability of the public retirement systems.
  - (c) Capital outlay projects in the comprehensive state capital budget.
  - (d) Deposits into the Budget Stabilization Fund.
  - (e) Deposits into the Coastal Protection and Restoration Fund.
  - (f) New highway construction.
- (2) The legislature may authorize an appropriation from the fund at any time for any purpose subject to consent of 3/4 of the elected members of each house of the legislature.

Proposed constitutional amendment authorizes changes to the minimum fund balance or the allowable percentage by a law enacted by 3/4 of the elected members of each house of the legislature.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2016.

(Adds Article VII, Section 10(F)(4)(h) and 10.15)