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## DIGEST

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HB 646 Original

2016 Regular Session

Lance Harris

**Abstract:** Establishes the Mineral Revenue Stabilization Trust Fund and provides for the dedication of mineral revenues.

Proposed constitutional amendment establishes the Mineral Stabilization Trust Fund as a permanent trust in the state treasury. Provides for the annual deposit of mineral revenues after a deposit of \$200 million of mineral revenues into the state general fund. The deposit of mineral revenues into the fund shall exclude the following deposits 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 and Audit 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 provides that mineral revenues that otherwise would go to the state general fund because the Budget Stabilization has reached its cap will be deposited into the Mineral Revenue Stabilization Trust Fund.

Proposed constitutional amendment provides for the investment of money in the Mineral Revenue Stabilization Trust Fund as provided for in law. Appropriations from the trust fund shall only be made from the annual earnings from interest, dividends, and capital gains on investment in the fund for new highway construction and capital outlay projects.

Present constitution provides for a procedure for adjusting appropriations to eliminate a projected deficit. After the budget has been reduced in an aggregate amount of at least 7/10 of 1% of the total budget for the year, adjustments can be made to reduce any constitutionally protected or mandated allocation or appropriation by no more than 5% of the total allocation or appropriation for transfer to the fund that is in a deficit.

Present constitution further prohibits such reduction and transfer from certain funds and dedications.

Proposed constitutional amendment retains present constitution and adds the Mineral Revenue Stabilization Trust Fund to the list of dedications that can not be reduced and transferred if there is a projected deficit.

Effective July 1, 2019.

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)