
DIGEST

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HB 716 Original

2016 Regular Session

Jay Morris

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

Proposed law establishes the Mineral Revenue Stabilization Trust Fund as a permanent trust in the state treasury. Provides for the annual deposit of mineral revenues after a deposit of \$600 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 and the Louisiana Education Quality Support Fund (the "8g Fund").
- (10) The Coastal Protection and Restoration Fund.
- (11) The Mineral Revenue and Audit Settlement Fund.
- (12) The Budget Stabilization Fund.

Proposed law provides for the investment of money in the Mineral Revenue Stabilization Trust Fund

in the same manner as investments of the Millennium Trust provided in present law. Further provides that for Fiscal Years 2018 through 2022, 100% of the annual earnings on investments in the fund shall be credited to the fund. Beginning in Fiscal Year 2023, 25% of the annual earnings from investments on the fund be credited to the fund.

Proposed law provides beginning in Fiscal Year 2023, 75% of the annual earnings on investments in the fund shall be appropriated for the following:

- (1) 50% for capital outlay projects in the comprehensive state capital budget.
- (2) 50% percent for expenses of public postsecondary institutions of higher education.

Further prohibits the annual earnings on investment in the fund from being pledged towards the repayment of bonded indebtedness.

Present law establishes the Budget Stabilization Fund and provides for various deposits into the fund including mineral revenues collected by the state over a base amount of \$950 million.

Proposed constitutional amendment changes the deposit of mineral revenues collected by the state from over a base amount of \$950 million to an amount not to exceed \$200 million.

Proposed constitutional amendment further eliminates the reference to a base and the authorization for increases to the base every 10 years.

Present law provides for deposits of mineral revenues into the Coastal Protection and Restoration Fund including 2% of revenues after allocations to parishes in which the natural resources were collected. Further, the dedication to the Coastal Protection and Restoration Fund is reduced by other deposits into the fund required by present law.

Proposed law retains present law and further provides that beginning in Fiscal Year 2017-2018, the annual deposit shall not exceed the amount deposited in Fiscal Year 2014-2015.

Effective if and when the proposed amendment of Article 7 of the Constitution of La. contained in the Act which originated as House Bill No. _____ of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:94(A)(2) and R.S. 49:214.5.4(D)(1); Adds R.S. 39:100.111)