
DIGEST

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HB 706 Engrossed

2016 Regular Session

Hodges

Abstract: Authorizes the use of up to 10% of the annual investment income of Louisiana Education Quality Trust Fund, subject to 2/3 approval of each house of the legislature, towards solving a projected deficit.

Present law establishes the Louisiana Education Quality Trust Fund (the "Permanent Trust Fund") and deposits certain mineral revenue from the Outer Continental Shelf owed to the state from the US government, known as "8(g) monies". Requires 25% of recurring mineral revenue, 25% of interest and dividend income, and 75% of capital gains be deposited into the fund.

Present law prohibits any appropriation out of the Permanent Trust Fund.

Proposed law authorizes the use of up to 10% of the interest income, realized capital gains, and dividend income deposited in and credited to the Permanent Trust Fund in the current fiscal year if there is a deficit in the current fiscal year due to a decrease in the official forecast. Also authorizes the use of up to 10% of the interest income, realized capital gains, and dividend income deposited in and credited to the Permanent Trust Fund in the current fiscal year if the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year. Limits the use of the fund to offset any reductions in expenditures for elementary and secondary education and higher education purposes.

Proposed law requires consent of two-thirds of the elected members of each house of the legislature prior to use of the Permanent Trust Fund and limits the amount of the fund that can be used in the current and next fiscal year to 10% of the interest income, realized capital gains, and dividend income deposited into the fund in the current fiscal year. Provides that consent shall be by concurrent resolution if the legislature is in session and by mail ballot if the legislature is not in session.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 577 of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 17:3801(A)(1); Adds R.S. 17:3801(G))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original

bill:

1. Change the amount that may be used out of the Permanent Trust Fund from 10% of the fund to 10% of interest and dividend income and capital gains deposited in and credited to the fund in the current fiscal year.