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## DIGEST

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HB 603 Engrossed

2016 Regular Session

Leger

**Abstract:** Creates the Revenue Stabilization Trust Fund as a special treasury trust fund, deposits into the fund mineral revenues and corporate tax revenues, and dedicates other mineral revenue to repayment of the UAL.

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

Proposed constitutional amendment provides for the allocation of annual mineral revenues between \$660 million and \$950 million and mineral revenues that would have been deposited into the Budget Stabilization Fund but are not because the fund has reached its maximum as follows:

- (1) 30% of mineral revenues are appropriated to the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) towards the balances of the unfunded accrued liability (UAL) of such systems existing as of June 30, 1988, until the balances are eliminated. Any such payments to the public retirement systems shall not be used, directly or indirectly, to fund COLAs for such systems.
- (2) The remainder are deposited into the Revenue Stabilization Trust Fund.

Further excludes the following allocations to and deposits of mineral revenues required under present constitution and present law from the allocation of mineral revenues in the proposed constitutional amendment:

- (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 Quality Education Support Fund (the 8g Funds).
- (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 includes severance taxes, royalty payments, bonus payments, or rentals in the definition of mineral revenues, excluding nonrecurring revenues, grants or donations when the terms or conditions require otherwise, and revenues from a tax on the transportation of minerals.

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 10% of the fund balance, (hereinafter the allowable percentage), for the following purposes:
  - (a) Capital outlay projects in the comprehensive state capital budget.
  - (b) Transportation infrastructure.
- (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, §10(F)(4)(h), 10.15, and 10.16)

## Summary of Amendments Adopted by House

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

1. Allocate 30% of certain mineral revenues towards payment of the unfunded accrued liabilities of the La. State Employees Retirement System and the Teachers' Retirement System of La. existing as of June 30, 1988, until those liabilities have been eliminated.
2. Increase the amount that may be appropriated out of the Revenue Stabilization Trust Fund once the balance reaches \$5 billion from 5% to 10% of the balance.
3. Limit the use of the Revenue Stabilization Trust Fund appropriations to capital outlay projects and transportation infrastructure.
4. Provide for the allocation of mineral revenues in excess of \$660 million rather than \$650 million.