

2024 Third Extraordinary Session

HOUSE BILL NO. 12

BY REPRESENTATIVE DESHOTEL

FUNDS/FUNDING: Relative to finances of the state (Items #16 and 21)

1 AN ACT

2 To amend and reenact R.S. 17:3801(A) and (C) and 3802(A)(1), R.S. 30:86(A)(1) and

3 2483(B) through (E), R.S. 39:94(A)(introductory paragraph) and (1) through (4), (B),

4 and (C)(5), 98.1, 98.2(A) and (E), 98.3(A) and (C)(introductory paragraph), 98.4(A),

5 100.112, 100.116(A)(introductory paragraph), (1) through (3), (10), (12), and (B),

6 and 100.161(B)(3), R.S. 49:214.5.4(B) through (D), (E)(1), (F), (G)(introductory

7 paragraph), (H), (I)(1), and (J), and R.S. 56:639.8(C) and (E)(1), to enact R.S.

8 30:86(I) through (K) and 2483(F) and (G) and R.S. 56:639.8(H), and to repeal R.S.

9 17:3801 through 3805, R.S. 30:86(C), and R.S. 39:97, 98.3(C) and (E), 100.112,

10 100.116(A)(4), (9), (11), and (13), (C), and (D), R.S. 49:214.5.4(K), and R.S.

11 56:639.8(E)(3), relative to finances of the state; to provide for certain treasury funds;

12 to provide for the transfer, deposit, and use, as specified, of monies in certain

13 treasury funds and accounts; to provide for the investment of certain treasury funds

14 and accounts; to repeal certain treasury funds and accounts; to provide for

15 effectiveness; and to provide for related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 17:3801(A) and (C) and 3802(A)(1) are hereby amended and

18 reenacted to read as follows:

1           §3801. Louisiana Education Quality Trust Fund, hereinafter referred to in this Part  
2                           as the "Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund"

3           A.(1) There shall be established in the state treasury as a special permanent  
4           trust fund, the "Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund",  
5           henceforth referred to as the "Permanent Trust Fund". ~~After allocation of money to~~  
6           ~~the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of~~  
7           ~~the constitution, and notwithstanding Article XIV, Section 10 of the constitution, the~~  
8           ~~treasurer shall deposit in and credit to the Permanent Trust Fund all money which is~~  
9           ~~received from the federal government under Section 1337(g) of Title 43 of the~~  
10           ~~United States Code which is attributable to mineral production activity or leasing~~  
11           ~~activity on the Outer Continental Shelf which has been held in escrow pending a~~  
12           ~~settlement between the United States and the state of Louisiana, except the first one~~  
13           ~~hundred million dollars so received, twenty-five percent of the recurring revenues~~  
14           ~~received under Section 1337(g) of Title 43 of the United States Code which are~~  
15           ~~attributable to mineral production activity or leasing activity on the Outer~~  
16           ~~Continental Shelf, twenty-five percent of the interest income earned on investment~~  
17           ~~of monies in the Permanent Trust Fund, and seventy-five percent of realized capital~~  
18           ~~gains and twenty-five percent of dividend income earned on investment of the~~  
19           ~~Permanent Trust Fund. No appropriation shall be made from the Permanent Trust~~  
20           ~~Fund.~~

21           (2) ~~After six hundred million dollars has been credited to the Permanent~~  
22           ~~Trust Fund from those monies received from the federal government under Section~~  
23           ~~1337(g) of Title 43 of the United States Code which are attributable to mineral~~  
24           ~~production activity or leasing activity on the Outer Continental Shelf which has been~~  
25           ~~held in escrow pending a settlement between the United States and the state of~~  
26           ~~Louisiana, the sum of fifty million dollars shall be credited from such monies to the~~  
27           ~~Coastal Environment Protection Trust Fund, as established in R.S. 30:313, all such~~  
28           ~~funds in excess of seven hundred fifty million dollars shall be credited to the~~  
29           ~~Permanent Trust Fund.~~

1           ~~(3) After allocation of money to the Bond Security and Redemption Fund as~~  
2           ~~provided in Article VII, Section 9(B) of the constitution, and notwithstanding Article~~  
3           ~~XIV, Section 10 of the constitution, seventy-five percent of the recurring revenues~~  
4           ~~received under Section 1337(g) of Title 43 of the United States Code which are~~  
5           ~~attributable to mineral production activity or leasing activity, seventy-five percent~~  
6           ~~of the interest income earned on investment of the Permanent Trust Fund, and~~  
7           ~~twenty-five percent of realized capital gains and seventy-five percent of the dividend~~  
8           ~~income earned on investment of the Permanent Trust Fund shall be deposited and~~  
9           ~~credited to a~~ There is hereby created a ~~special fund which is hereby created~~ in the  
10           ~~state treasury, and~~ which shall be known as the Louisiana Quality Education Support  
11           ~~Fund, hereinafter~~ hereafter ~~referred to in this Section~~ as the "Support Fund".  
12           ~~Beginning July 1, 2001, and only as to and in the accounting of earnings after that~~  
13           ~~date, the treasurer shall account for earnings from the Permanent Fund in a manner~~  
14           ~~which allocates the earnings between the Permanent Fund and the Support Fund in~~  
15           ~~the proportions as herein provided as such earnings are realized. Beginning July 1,~~  
16           ~~2001, and only as to and in the accounting of earnings after that date, the treasurer~~  
17           ~~shall account for earnings attributable to Support Fund balances due the boards of~~  
18           ~~education separately and allocate such earnings to the credit of each board~~  
19           ~~respectively.~~

20           ~~(4) All recurring revenues and interest earnings shall be credited to the~~  
21           ~~respective funds as provided in Paragraphs (1) and (2) above until the balance in the~~  
22           ~~Permanent Trust Fund equals two billion dollars. After the Permanent Trust Fund~~  
23           ~~reaches a balance of two billion dollars, all interest earnings on the Permanent Trust~~  
24           ~~Fund shall be credited to the Support Fund and all recurring revenues shall be~~  
25           ~~credited to the State General Fund.~~

\* \* \*

27           C.(1) The amounts in the Support Fund shall be available for appropriation  
28           to pay expenses incurred for outside investment managers for the investment and  
29           management of the ~~Permanent~~ Trust Fund and for other custody, investment, and

1 disbursement costs directly attributable to the ~~Permanent~~ Trust Fund, and for  
2 educational purposes only as provided in these Sections.

3 ~~(2) The State Board of Elementary and Secondary Education and the Board~~  
4 ~~of Regents each shall annually submit to the legislature and the governor not less~~  
5 ~~than sixty days prior to the beginning of each regular session of the legislature a~~  
6 ~~proposed program and budget for the expenditure of the monies in the Support Fund.~~  
7 ~~Proposals for such expenditures shall be designed to improve the quality of~~  
8 ~~education. Except for monies appropriated to pay expenses incurred in investment~~  
9 ~~and management of the Permanent Trust Fund, monies appropriated from the~~  
10 ~~Support Fund by the legislature shall be disbursed to the Board of Regents and the~~  
11 ~~State Board of Elementary and Secondary Education to be allocated by them as~~  
12 ~~provided by law or the constitution to the programs as previously approved by the~~  
13 ~~legislature.~~

14 ~~(3)~~ The treasurer shall disburse not more than fifty percent of the monies in  
15 the Support Fund as that money is appropriated by the legislature and allocated by  
16 the Board of Regents for any or all of the following higher educational purposes to  
17 enhance economic development:

18 (a) The carefully defined research efforts of public and private universities  
19 in Louisiana.

20 (b) The endowment of chairs for eminent scholars.

21 (c) The enhancement of the quality of academic, research, or agricultural  
22 departments or units within a community college, college, or university. These funds  
23 shall not be used for athletic purposes or programs.

24 (d) The recruitment of superior graduate students.

25 ~~(4)~~ (3) The treasurer shall disburse not more than fifty percent of the monies  
26 in the Support Fund as that money is appropriated by the legislature and allocated by  
27 the State Board of Elementary and Secondary Education for any or all of the  
28 following elementary and secondary educational purposes:

1 (a) To provide compensation to city or parish school board professional  
2 instructional employees.

3 (b) To insure an adequate supply of superior textbooks, library books,  
4 equipment, and other instructional materials.

5 (c) To fund exemplary programs in elementary, secondary, or vocational-  
6 technical schools designed to improve elementary and secondary student academic  
7 achievement, or vocational-technical skill.

8 (d) To fund carefully defined research efforts, including pilot programs,  
9 designed to improve elementary and secondary student academic achievement.

10 (e) To fund summer school remediation programs and preschool programs.

11 (f) To fund the teaching of foreign languages in elementary and secondary  
12 schools.

13 (g) To fund an adequate supply of teachers by providing scholarships or  
14 stipends to prospective teachers in academic areas where there is a critical teacher  
15 shortage.

16 \* \* \*

17 §3802. Appropriations; procedure; limitation; administration

18 A.(1) ~~Consistent with the provisions of the Constitution of Louisiana, the~~  
19 The legislature shall appropriate the total amount of the funds in the Louisiana  
20 Quality Education Support Fund, hereinafter referred to as the "support fund",  
21 intended for higher educational purposes to the Board of Regents and the total  
22 amount intended for elementary and secondary educational purposes to the State  
23 Board of Elementary and Secondary Education itemized by program or other  
24 recipient purpose. Such itemization shall occur in both the executive budget and in  
25 the general appropriation bill and, except as otherwise provided by the constitution,  
26 budget and appropriation functions shall be conducted as provided by law. Passage  
27 of the general appropriation bill shall constitute legislative approval of the programs  
28 or purposes to which money is appropriated.

29 \* \* \*

1 Section 2. R.S. 30:86(A)(1) and 2483(B) through (E) are hereby amended and  
2 reenacted and R.S. 30:86(I) through (K) and 2483(F) and (G) are hereby enacted to read as  
3 follows:

4 §86. Oilfield Site Restoration Fund

5 A.(1) There is hereby ~~established a fund in the custody of the state treasurer~~  
6 created in the state treasury a special fund to be known as the Oilfield Site  
7 Restoration Fund, hereafter referred to as the "fund", into which the state treasurer  
8 shall, each fiscal year, deposit the revenues received from the collection of the  
9 monies enumerated in Subsection D of this Section, after those revenues have been  
10 deposited in the Bond Security and Redemption Fund.

11 \* \* \*

12 I. All unexpended and unencumbered monies in the fund at the end of the  
13 fiscal year shall remain in the fund. The monies in the fund shall be invested by the  
14 treasurer in the manner provided by law. Interest earned on investment of monies  
15 in the fund shall be deposited into the fund.

16 J. The state treasurer shall prepare and submit to the department on a  
17 quarterly basis a printed report showing the amount of money contained in the fund  
18 from all sources.

19 K. The provisions of this Section shall not apply to affect funds allocated by  
20 Article VII, Section 8, Paragraphs (B) and (C).

21 \* \* \*

22 §2483. Oil Spill Contingency Fund

23 \* \* \*

24 B. There shall be established in the state treasury, as a special fund, the Oil  
25 Spill Contingency Fund, hereinafter referred to as the "contingency fund". Out of  
26 the funds remaining in the Bond Security and Redemption Fund after a sufficient  
27 amount is allocated from that fund to pay all obligations secured by the full faith and  
28 credit of the state which become due and payable within any fiscal year as required

1 by Article VII, Section 13(B) of the Constitution of Louisiana, the treasurer shall pay  
2 into the contingency fund all of the following:

3 (1) All fees, taxes, penalties, judgments, reimbursements, charges, and  
4 federal funds collected pursuant to the provisions of this Chapter, except as provided  
5 by R.S. 30:2480.2.

6 (2) Any fees, taxes, penalties, reimbursements, charges, federal funds, or  
7 other revenue enacted by the legislature for the purposes of abatement and  
8 containment of actual or threatened unauthorized discharges of oil after November  
9 23, 1995, shall be irrevocably dedicated and deposited in the contingency fund.

10 (3) All funds or revenues which may be donated expressly to the  
11 contingency fund.

12 C. The monies in the contingency fund shall be appropriated by the  
13 legislature to be used solely for the programs and purposes of abatement and  
14 containment of actual or threatened unauthorized discharges of oil and for  
15 administrative expenses associated with such programs and purposes, as provided  
16 in this Part.

17 D. In order to fulfill the constitutional mandate of Article IX, Section 1 of  
18 the Constitution of Louisiana to protect, conserve, and replenish the natural resources  
19 of the state, the legislature hereby declares that sufficient funds shall be made  
20 available to the Oil Spill Contingency Fund, in order for prevention of and response  
21 to unauthorized discharges of oil.

22 ~~€.~~ E. The purpose of the fund is to immediately provide available funds for  
23 response to all threatened or actual unauthorized discharges of oil, for clean up of  
24 pollution from unauthorized discharges of oil, natural resources damages, damages  
25 sustained by any state agency or political subdivision, and removal costs from  
26 threatened, unauthorized discharges of oil.

27 ~~D. All fees, taxes, penalties, judgments, reimbursements, charges, and~~  
28 ~~federal funds collected pursuant to the provisions of this Chapter, except as provided~~

1 by ~~R.S. 30:2480.2~~, shall be deposited immediately upon receipt into the state  
2 treasury:

3 E. ~~F.~~ After compliance with the requirements of Article VII, Section 9(B) of  
4 the Constitution of Louisiana relative to the Bond Security and Redemption Fund,  
5 and prior to monies being placed in the state general fund, an amount equal to that  
6 deposited, as required in Subsection D of this Section, and monies appropriated by  
7 the legislature shall be credited to a special fund hereby created in the state treasury  
8 to be known as the "Oil Spill Contingency Fund". The monies in this fund shall be  
9 used solely as provided in this Part and only in the amounts appropriated by the  
10 legislature. All unexpended and unencumbered monies in this fund at the end of the  
11 fiscal year shall remain in the fund. The monies in this fund shall be invested by the  
12 state treasurer in the same manner as monies in the state general fund, and interest  
13 earned on the investment of these monies shall remain in the fund.

14 G. The provisions of this Section shall not apply to or affect funds allocated  
15 by Article VII, Section 8, Paragraphs (B) and (C) of the Constitution of Louisiana.

16 Section 3. R.S. 39:94(A)(introductory paragraph) and (1) through (4), (B), and  
17 (C)(5), 98.1, 98.2(A) and (E), 98.3(A) and (C)(introductory paragraph), 98.4(A),  
18 100.116(A)(introductory paragraph), (1) through (3), (10), (12), and (B), and 100.161(B)(3)  
19 are hereby amended and reenacted to read as follows:

20 §94. Budget Stabilization Fund

21 A. There is hereby created in the state treasury a special fund to be  
22 designated as the Budget Stabilization Fund, hereafter referred to in this Section as  
23 the "fund", which shall consist of all money deposited into the fund in accordance  
24 with Article VII, Section ~~10.3~~ 15 of the Constitution of Louisiana. Money shall be  
25 deposited into the fund as follows:

26 (1) All money available for appropriation from the state general fund and  
27 dedicated funds in excess of the expenditure limit, except funds allocated by Article  
28 VII, Section ~~4~~ 8, Paragraphs ~~(D) and (E)~~ (B) and (C) of the Constitution of  
29 Louisiana, shall be deposited in the fund.



1           (2)(a) ~~All revenues received in each fiscal year by the state in excess of nine~~  
2           ~~hundred fifty million dollars, hereinafter referred to as the "base", as a result of the~~  
3           ~~production of or exploration for minerals, hereinafter referred to as "mineral~~  
4           ~~revenues", including severance taxes, royalty payments, bonus payments, or rentals,~~  
5           ~~and excluding such revenues designated as nonrecurring pursuant to Article VII,~~  
6           ~~Section 10(B) of the Constitution of Louisiana, any such revenues received by the~~  
7           ~~state as a result of grants or donations when the terms or conditions thereof require~~  
8           ~~otherwise and revenues derived from any tax on the transportation of minerals, shall~~  
9           ~~be deposited in the fund after the following allocations of said mineral revenues have~~  
10          ~~been made:~~

11           ~~(i) To the Bond Security and Redemption Fund as provided by Article VII,~~  
12          ~~Section 9(B) of the Constitution of Louisiana.~~

13           ~~(ii) To the political subdivisions of the state as provided in Article VII,~~  
14          ~~Sections 4(D) and (E) of the Constitution of Louisiana.~~

15           ~~(iii) As provided by the requirements of Article VII, Sections 10-A and 10.1~~  
16          ~~of the Constitution of Louisiana.~~

17           ~~(b) The base may be increased every ten years beginning in the year 2014~~  
18          ~~by a law enacted by two-thirds of the elected members of each house of the~~  
19          ~~legislature. Any such increase shall not exceed fifty percent in the aggregate of the~~  
20          ~~increase in the consumer price index for the immediately preceding ten years.~~

21           Beginning with Fiscal Year 2025-2026, fifteen percent of the corporation  
22          income and franchise tax revenues received in each fiscal year as recognized by the  
23          Revenue Estimating Conference and fifteen percent of mineral revenues, as provided  
24          in R.S. 39:100.116. If the total amount of deposits required pursuant to this  
25          Subparagraph cannot be deposited due to the prohibitions provided for in Paragraph  
26          (C)(5) of this Section, then the remaining monies shall be deposited into the state  
27          general fund and incorporated into the official forecast as nonrecurring for use as  
28          provided in Article VII, Section 14(D)(2) of the Constitution of Louisiana.



1 received by the state from the Federal Emergency Management Agency or other  
2 sources providing disaster relief assistance.

3 \* \* \*

4 §98.1. Creation of Funds; Millennium Trust

5 A. There shall be established in the state treasury as a special permanent trust  
6 fund known as the Millennium Trust. After allocation of money to the Bond  
7 Security and Redemption Fund as provided in Article VII, Section ~~9(B)~~ (13)(B) of  
8 the Constitution of Louisiana, the treasurer shall deposit in and credit to the  
9 Millennium Trust certain monies received as a result of the Master Settlement  
10 Agreement, hereinafter the "Settlement Agreement", executed November 23, 1998,  
11 and approved by Consent Decree and Final Judgment entered in the case "Richard  
12 P. Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris,  
13 Incorporated, et al.", bearing Number 98-6473 on the docket of the Fourteenth  
14 Judicial District for the parish of Calcasieu, state of Louisiana; and all dividend and  
15 interest income and all realized capital gains on investment of monies in the  
16 Millennium Trust. The treasurer shall deposit in and credit to the Millennium Trust  
17 ~~the following amounts of monies received as a result of the Settlement Agreement:~~

18 (1) ~~Fiscal Year 2000-2001, forty-five percent of the total monies received~~  
19 ~~that year.~~

20 (2) ~~Fiscal Year 2001-2002, sixty percent of the total monies received that~~  
21 ~~year.~~

22 (3) ~~Fiscal Year 2002-2003 and each fiscal year thereafter, seventy-five~~  
23 ~~percent of the total monies received that year.~~ each fiscal year as a result of the  
24 Settlement Agreement. ~~However, beginning in Fiscal Year 2011-2012 after the~~  
25 ~~balance in the Millennium Trust reaches a total of one billion three hundred eighty~~  
26 ~~million dollars, the~~ The monies deposited in and credited to the Millennium Trust,  
27 received by the state as a result of the Settlement Agreement, shall be allocated to  
28 the various funds within the Millennium Trust as provided in Subsections B, C, and  
29 ~~D of this Section~~ TOPS Fund.

1           ~~(4) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~  
2           ~~2002-2003, ten percent of the total monies received in each of those years for credit~~  
3           ~~to the Education Excellence Fund which, notwithstanding the provisions of R.S.~~  
4           ~~39:98.3(A), shall be appropriated for the purposes provided in R.S. 39:98.3(C)(4).~~

5           B.(1) The Health Excellence Fund shall be established as a special fund  
6           within the Millennium Trust. The treasurer shall credit to the Health Excellence Fund  
7           ~~one-third of the Settlement Agreement proceeds deposited each year into the~~  
8           ~~Millennium Trust and one-third~~ one-half of all dividend and interest income and all  
9           realized capital gains on investment of monies in the Millennium Trust. The  
10          treasurer shall report annually to the legislature as to the amount of Millennium Trust  
11          investment earnings credited to the Health Excellence Fund.

12          ~~(2) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~  
13          ~~treasurer shall credit to the Health Excellence Fund one-third of all dividend and~~  
14          ~~interest income and all realized capital gains on investment of monies in the~~  
15          ~~Millennium Trust.~~

16          ~~(3) Beginning July 1, 2012, after~~ After allocation of money to the Bond  
17          Security and Redemption Fund as provided in Article VII, Section ~~9(B)~~ 13(B) of the  
18          Constitution of Louisiana, the treasurer shall deposit in and credit to the Health  
19          Excellence Fund the revenues derived from the tax imposed by R.S. 47:841(B)(3).

20          ~~C.(1) The Education Excellence Fund shall be established in the state~~  
21          ~~treasury as a special fund within the Millennium Trust. The treasurer shall credit to~~  
22          ~~the Education Excellence Fund one-third of the Settlement Agreement proceeds~~  
23          ~~deposited into the Millennium Trust and one-third of all dividend and interest~~  
24          ~~income and all realized capital gains on investment of monies in the Millennium~~  
25          ~~Trust.~~

26          ~~(2) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~  
27          ~~treasurer shall credit to the Education Excellence Fund one-third of all dividend and~~  
28          ~~interest income and all realized capital gains on investment of monies in the~~  
29          ~~Millennium Trust.~~

1           ~~D.(1)~~ The TOPS Fund shall be established in the state treasury as a special  
2 fund within the Millennium Trust. The treasurer shall credit to the TOPS Fund ~~one-~~  
3 ~~third of the Settlement Agreement proceeds deposited into the Millennium Trust and~~  
4 ~~one-third of all dividend and interest income and all realized capital gains on~~  
5 ~~investment of monies in the Millennium Trust.~~

6           ~~(2)~~ ~~Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~  
7 ~~treasurer shall credit to the TOPS Fund one hundred percent of the Settlement~~  
8 ~~Agreement proceeds deposited into the Millennium Trust and ~~one-third~~ one-half of~~  
9 ~~all dividend and interest income and all realized capital gains on investment of~~  
10 ~~monies in the Millennium Trust. The treasurer shall report annually to the legislature~~  
11 ~~as to the amount of Millennium Trust settlement agreement proceeds investment~~  
12 ~~earnings credited to the TOPS Fund.~~

13           ~~(3)~~ ~~Upon the effective date of this Section, the state treasurer shall deposit,~~  
14 ~~transfer, or otherwise credit funds in an amount equal to such Settlement Agreement~~  
15 ~~proceeds deposited in and credited to the Millennium Trust received by the state~~  
16 ~~between April 1, 2011, and the effective date of this Section to the TOPS Fund.~~

17           D. Monies credited to the Millennium Trust pursuant to Subsection A of this  
18 Section shall be invested by the treasurer. A portion of the monies, not to exceed  
19 thirty-five percent, may be invested in stock. However, the portion of monies in the  
20 Millennium Trust which may be invested in stock may be increased to no more than  
21 fifty percent by a specific legislative instrument which receives a favorable vote of  
22 two-thirds of the elected members of each house of the legislature. The legislature  
23 shall provide for procedures for the investment of such monies as provided in R.S.  
24 39:98.2. The treasurer may contract, subject to the approval of the State Bond  
25 Commission, for the management of such investments and, if a contract is entered  
26 into, amounts necessary to pay the costs of the contract shall be appropriated from  
27 the Millennium Trust.

## 1 §98.2. Investment of Millennium Trust

2 A. The treasurer is authorized and directed to invest monies in the  
3 Millennium Trust which are available for investment in ~~the investments permitted~~  
4 ~~for the Louisiana Education Quality Trust Fund, also known as the Kevin P. Reilly~~  
5 ~~Sr. Louisiana Education Quality Trust Fund, as set forth in R.S. 17:3803(B), (D), and~~  
6 ~~(E).~~ any of the following:

- 7 (1) Time certificates of deposit of any bank domiciled or having a branch  
8 office in the state of Louisiana, savings accounts or shares of savings and loan  
9 associations and savings banks, as defined by R.S. 6:703(16) and (17), or share  
10 accounts and share certificate accounts of federally or state-chartered credit unions  
11 issuing time certificates of deposit, issued for the state treasurer under this authority.  
12 For those funds determined under prudent judgment of the state treasurer to be made  
13 available for investment in time certificates of deposit, the rate of interest paid by the  
14 banks shall be determined by rules and regulations adopted and promulgated by the  
15 state treasurer. Competitive bidding may be used to establish the rate of interest on  
16 fifty percent or less of the amount determined to be available as of that date for  
17 investment in time certificates of deposit. Those financial institutions bidding on  
18 time certificates of deposit shall meet the financial criteria established by rules and  
19 regulations adopted and promulgated by the state treasurer. At the time of  
20 investment, the interest rate under the provisions of this Subsection shall be a rate not  
21 less than the prevailing market interest rate on direct obligations of the United States  
22 Treasury with a similar length of maturity. The funds so invested shall not exceed  
23 at any time the amount insured by the Federal Deposit Insurance Corporation (FDIC)  
24 in any one bank, savings bank, or savings and loan association and shall not exceed  
25 at any time the amount insured by the National Credit Union Administration, or other  
26 deposit insurance corporation, in any one credit union, unless the uninsured portion  
27 is collateralized by the pledge of securities in the manner provided by R.S. 49:321.
- 28 (2) Direct obligations of the United States government, a United States  
29 government agency, a United States government instrumentality, or a United States

1 government-sponsored enterprise, the timely payment of the principal and interest  
2 of which is fully and explicitly guaranteed by the full faith and credit of the  
3 government of the United States of America, and contained in a list promulgated by  
4 the state treasurer.

5 (3) Direct obligations of a United States government agency, United States  
6 government instrumentality, or United States government-sponsored enterprise, the  
7 timely payment of principal and interest of which is fully guaranteed by the issuing  
8 entity, but are not explicitly guaranteed by the full faith and credit of the government  
9 of the United States, and contained in a list promulgated by the state treasurer.

10 (4) Stocks of any corporation listed on the New York Stock Exchange, the  
11 American Stock Exchange, the National Association of Securities Dealers  
12 Automated Quotations System, or other such stock exchange domiciled in the United  
13 States and registered with the United States Securities and Exchange Commission,  
14 provided that the total investment in such stocks at any one time shall not exceed  
15 thirty-five percent of the market value of all funds held by the treasurer in the  
16 Millennium Trust.

17 (5)(a) Investment grade commercial paper issued in the United States, traded  
18 in the United States markets, denominated in United States dollars, with a short-term  
19 rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1 by  
20 Moody's Investor Service, Inc. or the equivalent rating by a nationally recognized  
21 statistical rating organization.

22 (b) Investment grade corporate notes and bonds issued in the United States,  
23 traded in United States markets, denominated in United States dollars, rated BAA or  
24 better by Moody's Investor Service, Inc., or BBB or better by Standard & Poor's  
25 Financial Services LLC, and the trades of which are settled through The Depository  
26 Trust & Clearing Corporation, a national clearinghouse in the United States for the  
27 settlement of securities trades.

28 (6) Money market funds consisting solely of securities otherwise eligible for  
29 investment by the treasurer pursuant to this Section.

1           (7) Open-end mutual funds, closed-end mutual funds, and unit investment  
2           trusts consisting solely of securities otherwise eligible for investment by the state  
3           treasurer.

4           (8)(a) Tax exempt bonds and other taxable governmental bonds. In addition  
5           to all other investment authority related to the Millennium Trust, the state treasurer  
6           may invest in tax exempt bonds as defined in R.S. 49:342(C) and in taxable bonds  
7           issued by any state or a political subdivision or public corporation of any state,  
8           provided that such taxable bonds are rated at the time the investment is made by a  
9           nationally recognized rating agency in one of the three highest rating categories of  
10           that rating agency.

11           (b) Bonds, debentures, notes, or other similar obligations issued in the  
12           United States market, denominated in United States dollars and which are the direct  
13           legal obligations of a foreign nation which the International Monetary Fund lists as  
14           an industrial country, for which investments in and/or business transactions with are  
15           not prohibited or restricted by any law, regulation, or rule of the United States or the  
16           state of Louisiana, and for which the full faith and credit of such nation has been  
17           pledged for the payment of principal and interest; provided that any such security  
18           shall be rated at least A- or better by Standard & Poor's Corporation or A3 or better  
19           by Moody's, Inc., or an equivalent investment grade by a securities ratings  
20           organization accepted by the National Association of Insurance Commissioners; and,  
21           provided further that the total investment in such foreign securities at any one time  
22           shall not exceed five percent of the market value of all investments held by the  
23           treasurer in the Millennium Trust, or any other fund or investment of funds subject  
24           to this investment authority.

25           (9) Any investment managers hired on a contract basis to advise the treasurer  
26           regarding such investments shall be selected by the treasurer, subject to the approval  
27           of the State Bond Commission, in accordance with a request for proposal process  
28           using strict selection criteria based on sound industry principles. The contract, as  
29           approved by the State Bond Commission, shall be on a fee, together with minimum



1 exchange fee, basis or on a commission basis only. The state treasurer shall adopt  
2 and promulgate rules and regulations for such investments and for the selection of  
3 outside investment managers.

4 (10) Open-end mutual funds, closed-end mutual funds, exchange-traded  
5 funds, and unit investment trusts consisting solely of international securities  
6 constructed to match or track the components of a market index provided by globally  
7 recognized index providers, including but not limited to MSCI, FTSE, Dow Jones,  
8 Standard & Poor's, Barclays, Citigroup, or any of their affiliates or successors and  
9 assigns; however, the total investment in any and all such index funds at any one  
10 time shall not exceed ten percent of the market value of all funds held by the  
11 treasurer in the Millennium Trust. Nothing in this Paragraph shall be construed to  
12 allow the state treasurer to invest directly in the common stock of foreign companies  
13 known to do business with nations that support terrorism.

14 \* \* \*

15 E. On or before December first of each year, the treasurer shall prepare and  
16 submit a report on the performance of the Millennium Trust to the Joint Legislative  
17 Committee on the Budget and the commissioner of administration for their review.  
18 ~~With respect to the Education Excellence Fund, the report shall also be provided to~~  
19 ~~the state superintendent of education.~~

20 ~~§98.3. Appropriations from the Health Excellence Fund, the Education Excellence~~  
21 ~~Fund, and the TOPS Fund~~ §98.3. Appropriations from funds within the  
22 Millennium Trust

23 A.(1) ~~Appropriations from the Education Excellence Fund shall be limited~~  
24 ~~to an annual amount not to exceed the estimated aggregate annual earnings from~~  
25 ~~interest, dividends, and realized capital gains on investment of the Millennium Trust~~  
26 ~~allocated as provided by R.S. 39:98.1(B) and (C) as recognized by the Revenue~~  
27 ~~Estimating Conference. Amounts determined to be available for appropriation shall~~  
28 ~~be those aggregate investment earnings which are in excess of an inflation factor as~~  
29 ~~determined by the Revenue Estimating Conference. The amount of estimated~~

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 aggregate investment earnings available for appropriation shall be determined by  
2 subtracting the product of the inflation factor multiplied by the amount of aggregate  
3 investment earnings for the previous fiscal year from the amount of such estimated  
4 aggregate investment earnings. The amount of realized capital gains on investment  
5 which may be included in the aggregate earnings available for appropriation from the  
6 Millennium Trust in any fiscal year shall not exceed the aggregate of earnings from  
7 interest and dividends for that year.

8 (2)(a) For Fiscal Year 2011-2012 appropriations from the Health Excellence  
9 Fund shall be limited to an annual amount not to exceed the estimated aggregate  
10 annual earnings from interest, dividends, and realized capital gains on investment of  
11 the trust and credited to the Health Excellence Fund as provided by R.S.  
12 39:98.1(B)(2) and as recognized by the Revenue Estimating Conference.

13 (b) For Fiscal Year 2012-2013, and For each fiscal year thereafter,  
14 appropriations from the Health Excellence Fund shall be limited to an annual amount  
15 not to exceed the estimated aggregate annual earnings from interest, dividends, and  
16 realized capital gains on investment of the trust and credited to the Health Excellence  
17 Fund as provided by R.S. 39:98.1(B)(2) R.S. 39:98.1(B)(1) and as recognized by the  
18 Revenue Estimating Conference and the amount of proceeds credited to and  
19 deposited into the Health Excellence Fund as provided by R.S. 39:98.1(B)(3) R.S.  
20 39:98.1(B)(2).

21 (3)(a) For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall  
22 be limited to the amount of Settlement Agreement proceeds credited to and deposited  
23 into the TOPS Fund as provided by R.S. 39:98.1(D)(2) and (3), and an annual  
24 amount not to exceed the estimated aggregate annual earnings from interest,  
25 dividends, and realized capital gains on investment of the trust and credited to the  
26 TOPS Fund as provided by R.S. 39:98.1(D)(2) and as recognized by the Revenue  
27 Estimating Conference.

28 (b) (2)(a) For Fiscal Year 2012-2013, and each fiscal year thereafter,  
29 appropriations from the TOPS Fund shall be limited to the amount of annual

1 Settlement Agreement proceeds credited to and deposited into the TOPS Fund as  
2 provided in ~~R.S. 39:98.1(D)(2)~~ R.S. 39:98.1(C), and an annual amount not to exceed  
3 the estimated aggregate annual earnings from interest, dividends, and realized capital  
4 gains on investment of the trust and credited to the TOPS Fund as provided in ~~R.S.~~  
5 ~~39:98.1(D)(2)~~ R.S. 39:98.1(C) and as recognized by the Revenue Estimating  
6 Conference.

7 (c) ~~For Fiscal Year 2011-2012, and each fiscal year thereafter,~~ (b) The  
8 amounts determined to be available for appropriation from the TOPS Fund from  
9 interest earnings shall be those aggregate investment earnings which are in excess  
10 of an inflation factor as determined by the Revenue Estimating Conference. The  
11 amount of realized capital gains on investment which may be included in the  
12 aggregate earnings available for appropriation in any year shall not exceed the  
13 aggregate of earnings from interest and dividends for that year.

14 (4) (3) Actual earnings from interest, dividends, and capital gains during the  
15 fiscal year in excess of the amounts estimated as available for appropriation shall be  
16 credited to the appropriate fund and available for appropriation in subsequent years.  
17 Appropriations from the Health Excellence Fund, ~~the Education Excellence Fund,~~  
18 and the TOPS Fund shall include performance expectations to ensure accountability  
19 in the expenditure of such monies.

20 \* \* \*

21 C. The Education Excellence Fund shall be established in the state treasury  
22 as a special fund within the Millennium Trust. Appropriations from the Education  
23 Excellence Fund shall be restricted as follows:

24 \* \* \*

25 §98.4. Louisiana Fund

26 A. There shall be established in the state treasury as a special fund the  
27 Louisiana Fund hereinafter the "Fund". After allocation of money to the Bond  
28 Security and Redemption Fund as provided in Article VII, Section ~~9(B)~~ 13(B) of the  
29 Constitution of Louisiana, the treasurer shall deposit in and credit to the Fund all

1 money remaining after deposit of monies into the Millennium Trust, which is  
 2 received as a result of the Master Settlement Agreement, hereinafter the "Settlement  
 3 Agreement", executed November 23, 1998, and approved by Consent Decree and  
 4 Final Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex rel.  
 5 State of Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-6473  
 6 on the docket of the Fourteenth Judicial District for the parish of Calcasieu, state of  
 7 Louisiana; and all interest income on investment of monies in the Fund. Monies in  
 8 the Fund shall be invested by the treasurer in the same manner as monies in the state  
 9 general fund. All unencumbered and unexpended monies in the ~~Fund~~ fund at the end  
 10 of the fiscal year shall remain in the ~~Fund~~ fund.

11 \* \* \*

12 §100.116. Dedication of mineral revenues

13 A. All mineral revenues as defined in Subsection ~~D~~ B of this Section  
 14 received in each fiscal year by the state as a result of the production of or exploration  
 15 for minerals, hereinafter referred to as mineral revenues, shall be allocated as  
 16 provided in this Section after the following allocations and deposits of mineral  
 17 revenues have been made:

18 (1) To the Bond Security and Redemption Fund as provided by Article VII,  
 19 Section ~~9(B)~~ 13(B) of the Constitution of Louisiana.

20 (2) To the political subdivisions of the state as provided in Article VII,  
 21 ~~Sections 4(D) and (E)~~ Sections 8(B) and (C) of the Constitution of Louisiana and  
 22 R.S. 47:645.

23 (3) To the Louisiana Wildlife and Fisheries Conservation Fund as provided  
 24 by the requirements of Article VII, Section ~~10-A~~ 23 of the Constitution of Louisiana  
 25 and R.S. 47:324, R.S. 56:799, and 799.3.

26 \* \* \*



1 ~~payments to the public retirement systems shall not be used, directly or indirectly,~~  
2 ~~to fund cost-of-living increases for such systems.~~

3 ~~(2) The remainder shall be deposited into the Revenue Stabilization Trust~~  
4 ~~Fund.~~

5 ~~D.~~ For purposes of this Section, "mineral revenues" shall include severance  
6 taxes, royalty payments, bonus payments, or rentals, with the following exceptions:

7 (1) Revenues designated as nonrecurring, pursuant to Article VII, Section  
8 10(B) of the Constitution of Louisiana.

9 (2) Revenues received by the state as a result of grants or donations when the  
10 terms or conditions thereof require otherwise.

11 (3) Revenues derived from any tax on the transportation of minerals.

12 \* \* \*

13 §100.161. Louisiana Unclaimed Property Permanent Trust Fund

14 \* \* \*

15 B.

16 \* \* \*

17 (3) Subject to the limitations provided in this Subsection, the state treasurer  
18 may invest the monies deposited in and credited to the UCP Permanent Trust Fund  
19 ~~in the same manner as authorized for the Louisiana Education Quality Trust Fund as~~  
20 ~~set forth in R.S. 17:3803.~~ any of the following:

21 (i) Time certificates of deposit of any bank domiciled or having a branch  
22 office in the state of Louisiana, savings accounts or shares of savings and loan  
23 associations and savings banks, as defined by R.S. 6:703(16) and (17), or share  
24 accounts and share certificate accounts of federally or state-chartered credit unions  
25 issuing time certificates of deposit, issued for the state treasurer under this authority.  
26 For those funds determined under prudent judgment of the state treasurer to be made  
27 available for investment in time certificates of deposit, the rate of interest paid by the  
28 banks shall be determined by rules and regulations adopted and promulgated by the  
29 state treasurer. Competitive bidding may be used to establish the rate of interest on

1 fifty percent or less of the amount determined to be available as of that date for  
2 investment in time certificates of deposit. Those financial institutions bidding on  
3 time certificates of deposit shall meet the financial criteria established by rules and  
4 regulations adopted and promulgated by the state treasurer. At the time of  
5 investment, the interest rate under the provisions of this Subsection shall be a rate not  
6 less than the prevailing market interest rate on direct obligations of the United States  
7 Treasury with a similar length of maturity. The funds so invested shall not exceed  
8 at any time the amount insured by the Federal Deposit Insurance Corporation (FDIC)  
9 in any one bank, savings bank, or savings and loan association and shall not exceed  
10 at any time the amount insured by the National Credit Union Administration, or other  
11 deposit insurance corporation, in any one credit union, unless the uninsured portion  
12 is collateralized by the pledge of securities in the manner provided by R.S. 49:321.

13 (ii) Direct obligations of the United States government, a United States  
14 government agency, a United States government instrumentality, or a United States  
15 government-sponsored enterprise, the timely payment of the principal and interest  
16 of which is fully and explicitly guaranteed by the full faith and credit of the  
17 government of the United States of America, and contained in a list promulgated by  
18 the state treasurer.

19 (iii) Direct obligations of a United States government agency, United States  
20 government instrumentality, or United States government-sponsored enterprise, the  
21 timely payment of principal and interest of which is fully guaranteed by the issuing  
22 entity, but are not explicitly guaranteed by the full faith and credit of the government  
23 of the United States, and contained in a list promulgated by the state treasurer.

24 (iv) Stocks of any corporation listed on the New York Stock Exchange, the  
25 American Stock Exchange, the National Association of Securities Dealers  
26 Automated Quotations System, or other such stock exchange domiciled in the United  
27 States and registered with the United States Securities and Exchange Commission,  
28 provided that the total investment in such stocks at any one time shall not exceed

1 thirty-five percent of the market value of all funds held by the treasurer in the  
2 Millennium Trust.

3 (v)(aa) Investment grade commercial paper issued in the United States,  
4 traded in the United States markets, denominated in United States dollars, with a  
5 short-term rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1  
6 by Moody's Investor Service, Inc., or the equivalent rating by a nationally recognized  
7 statistical rating organization.

8 (bb) Investment grade corporate notes and bonds issued in the United States,  
9 traded in United States markets, denominated in United States dollars, rated BAA or  
10 better by Moody's Investor Service, Inc., or BBB or better by Standard & Poor's  
11 Financial Services LLC, and the trades of which are settled through The Depository  
12 Trust & Clearing Corporation, a national clearinghouse in the United States for the  
13 settlement of securities trades.

14 (vi) Money market funds consisting solely of securities otherwise eligible  
15 for investment by the treasurer pursuant to this Section.

16 (vii) Open-end mutual funds, closed-end mutual funds, and unit investment  
17 trusts consisting solely of securities otherwise eligible for investment by the state  
18 treasurer.

19 (viii) Tax exempt bonds and other taxable governmental bonds. In addition  
20 to all other investment authority related to the Millennium Trust, the state treasurer  
21 may invest in tax exempt bonds as defined in R.S. 49:342(C), and in taxable bonds  
22 issued by any state or a political subdivision or public corporation of any state,  
23 provided that such taxable bonds are rated at the time the investment is made by a  
24 nationally recognized rating agency in one of the three highest rating categories of  
25 that rating agency.

26 (ix) Bonds, debentures, notes, or other similar obligations issued in the  
27 United States market, denominated in United States dollars and are the direct legal  
28 obligations of a foreign nation which the International Monetary Fund lists as an  
29 industrial country, for which investments in and/or business transactions with are not





1 Section 4. R.S. 39:100.112 is hereby amended and reenacted to read as follows:

2 §100.112. Revenue Stabilization ~~Trust~~ Fund

3 A. There is hereby established in the state treasury a special ~~trust~~ fund, the  
4 Revenue Stabilization ~~Trust~~ Fund, hereinafter referred to as the "fund".

5 B. ~~After allocation of money to the Bond Redemption and Security Fund as~~  
6 ~~provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer~~  
7 ~~shall deposit in and credit to the fund the revenues as provided for in Subsections C~~  
8 ~~and D of this Section.~~ Monies in the fund shall be used only for the following  
9 purposes:

10 (1) In accordance with Article VII, Section 35 of the Constitution of  
11 Louisiana and R.S. 47:1703(B), a one-time payment shall be made to each parish that  
12 elects to irrevocably exempt business inventory from ad valorem tax prior to July 1,  
13 2026. The payment shall be made by the treasurer to the ad valorem tax collector  
14 within thirty days of receipt of a certification from the secretary of the Department  
15 of Revenue that the parish has irrevocably elected to exempt business inventory from  
16 ad valorem tax.

17 (2) In any fiscal year in which the revenues received from corporation income  
18 and franchise tax collections, as recognized by the Revenue Estimating Conference,  
19 fall below eight hundred million dollars, the legislature may appropriate an amount  
20 not to exceed the difference between actual corporation income and franchise tax  
21 collections and eight hundred million from the Revenue Stabilization Fund.

22 C. ~~The treasurer shall deposit into the fund the amount of mineral revenues~~  
23 ~~as provided in R.S. 39:100.116~~ Unexpended and unencumbered monies in the fund  
24 at the end of the fiscal year shall remain in the fund.

25 ~~D. The treasurer shall deposit into the fund the amount of revenues in excess~~  
26 ~~of six hundred million dollars received each fiscal year from corporate franchise and~~  
27 ~~income taxes as recognized by the Revenue Estimating Conference.~~

28 E.(1) ~~Except as provided for in Subsection F of this Section, monies~~  
29 ~~deposited into the Revenue Stabilization Trust Fund shall be permanently credited~~



1 Section 5. R.S. 49:214.5.4(B) through (D), (E)(1), (F), (G)(introductory paragraph),  
2 (H), (I)(1), and (J) are hereby amended and reenacted to read as follows:

3 §214.5.4. Funding and resource allocation

4 \* \* \*

5 B. Of all mineral revenues received in each fiscal year by the state including  
6 those received as a result of the production of or exploration for minerals, hereinafter  
7 referred to as mineral revenues from severance taxes, royalty payments, bonus  
8 payments, or rentals, and excluding federal revenues received as provided in  
9 Subsection E of this Section and such revenues received by the state as a result of  
10 grants or donations when the terms or conditions thereof require otherwise, the  
11 treasurer shall make the following allocations:

12 (1) To the Bond Security and Redemption Fund as provided in Article VII,  
13 Section ~~9(B)~~ 13(B) of the Constitution of Louisiana.

14 (2) To ~~the~~ political subdivisions ~~of the state~~ as provided in Article VII,  
15 Sections ~~4(D) and (E)~~ 8(B) and (C) of the Constitution of Louisiana.

16 (3) As provided by the requirements of ~~Article VII, Sections 10-A and 10.1~~  
17 ~~of the Constitution of Louisiana~~ R.S. 56:10.

18 C. After making the allocations provided for in Subsection B of this Section,  
19 the treasurer shall then deposit in and credit to the Coastal Protection and Restoration  
20 Fund ~~any an~~ an amount of mineral revenues ~~that may be necessary to ensure that a total~~  
21 ~~of~~ equal to twenty-five million dollars, which shall be adjusted by an amount equal  
22 to the percentage increase in the Consumer Price Index United States city average  
23 for all urban consumers (CPI-U), as reported by the United States Department of  
24 Labor, Bureau of Labor Statistics, or its successor, for the previous calendar year ~~is~~  
25 ~~deposited into such fund for the fiscal year from this source;~~ provided that the  
26 balance of the fund which consists of mineral revenues from severance taxes, royalty  
27 payments, bonus payments, or rentals shall not exceed the amount provided in  
28 Subsection F E of this Section.



1 revenues as provided in Subsection ~~K~~ J of this Section, consists of mineral revenues  
2 from severance taxes, royalty payments, bonus payments, or rentals shall not exceed  
3 five hundred million dollars. Any unexpended money remaining in the fund at the  
4 end of the fiscal year shall be retained in the fund.

5 ~~G~~. F. The money in the Coastal Protection and Restoration Fund is subject  
6 to appropriations by the legislature for the purposes of integrated coastal protection.  
7 The money in the fund may be used only for those projects and programs which are  
8 consistent with the statement of intent, R.S. 49:214.1, and the annual plan as it  
9 pertains to the integrated coastal protection and may include but not be limited to the  
10 following purposes:

11 \* \* \*

12 ~~H~~. G. As used in this Section, the term "balance of the fund" shall mean  
13 those monies in the fund which have not been expended or obligated under the plan  
14 approved pursuant to R.S. 49:214.5.3, or otherwise obligated in accordance with law.

15 ~~I~~. H(1) Any monies received by the state for violations pursuant to section  
16 311 of the Federal Water Pollution Control Act, 33 U.S.C. 1321; R.S. 30:2025(E)(1)  
17 and (2); and R.S. 30:2001 et seq., including R.S. 30:2071 et seq., associated with the  
18 Deepwater Horizon oil spill that began on April 20, 2010, shall be deposited and  
19 credited by the treasurer to the Coastal Protection and Restoration Fund for  
20 integrated coastal protection efforts, including coastal restoration, hurricane  
21 protection, and improving the resiliency of the Louisiana Coastal Area affected by  
22 the Deepwater Horizon oil spill.

23 \* \* \*

24 ~~J~~. I. The authority is authorized to create one or more construction or project  
25 funds within the Coastal Protection and Restoration Fund, into which may be  
26 deposited the proceeds of any bonds or other debt obligations of the authority. Such  
27 construction or project funds may be maintained by the authority or any fiduciary  
28 appointed in connection with the authority only for the purpose or purposes for  
29 which such bonds or other debt obligations are issued. Funds held in any such

1 construction or project fund shall not be subject to the other requirements of this  
2 Section.

3 ~~K. J.~~J.(1) Subject to Article VII, ~~Sections 9(B) and 10.1~~ Section 13(B) of the  
4 Constitution of Louisiana, in each fiscal year, the revenues that are received by the  
5 state generated upon state lands or waterbottoms located in the coastal area from  
6 alternative or renewable energy production or sources, including but not limited to  
7 wind energy, solar energy, tidal energy, wave energy, and geothermal energy, shall  
8 be deposited and credited by the treasurer to the Coastal Protection and Restoration  
9 Fund.

10 \* \* \*

11 Section 6. R.S. 56:639.8(C) and (E)(1) are hereby amended and reenacted and R.S.  
12 56:10(B)(1)(d) and (E) and 639.8(H) are hereby enacted to read as follows:

13 §639.8. Department of Wildlife and Fisheries; Artificial Reef Development Fund

14 \* \* \*

15 C. There is hereby established a fund in the state treasury to be known as the  
16 Artificial Reef Development Fund, hereinafter referred to as the "Reef Fund" or  
17 "fund", into which the state treasurer shall each fiscal year, ~~and beginning with the~~  
18 ~~1986-1987 Fiscal Year~~, deposit the funds received as provided in Subsections A and  
19 B of this Section, after those revenues have been deposited in the Bond Security and  
20 Redemption Fund. Out of the funds remaining in the Bond Security and Redemption  
21 Fund after a sufficient amount is allocated from that fund to pay all obligations  
22 secured by the full faith and credit of the state that become due and payable within  
23 each fiscal year, the treasurer, prior to placing such funds in the state general fund,  
24 shall pay into the Reef Fund an amount equal to the funds deposited by the  
25 department into the treasury as provided in Subsection B of this Section. The monies  
26 in the Reef Fund shall be used solely as provided by Subsection E herein of this  
27 Section and only in the amounts appropriated by the legislature. All unexpended and  
28 unencumbered monies in the Reef Fund at the end of the fiscal year shall remain in  
29 the fund. The monies in the fund shall be invested by the state treasurer in the same

1 manner as monies in the state general fund, and interest earned on the investment of  
2 these monies shall be credited to the fund, again, following compliance with the  
3 requirement of Article VII, Section ~~9(B)~~ 13(B) of the Constitution of Louisiana,  
4 relative to the Bond Security and Redemption Fund.

5 \* \* \*

6 E.(1) Monies may be withdrawn directly from the Reef Fund for the  
7 operation of the program as described in R.S. 56:639.5, including evaluation of the  
8 program and administrative and field support for the siting, designing, constructing,  
9 permitting, establishing, monitoring, and maintenance of artificial reefs established  
10 pursuant to this Subpart until such time that the council determines that the annual  
11 interest earnings from the fund are sufficient to run the program.

12 \* \* \*

13 H. The state treasurer shall prepare and submit to the department on a  
14 quarterly basis a written report showing the amount of money contained in the fund  
15 from all sources.

16 \* \* \*

17 Section 7. R.S. 17:3801(B), (C)(4), and (F), R.S. 30:86(C), and R.S. 39:98.3(E),  
18 100.116(A)(4), (9), (11), (13), (C), and (D), and R.S. 49:214.5.4(K) are hereby repealed in  
19 their entirety.

20 Section 8. R.S. 56:639.8(E)(3) is hereby repealed in its entirety.

21 Section 9. R.S. 17:3801 through 3805 and R.S. 39:98.3(C) are hereby repealed in  
22 their entirety.

23 Section 10. R.S. 39:100.112 is hereby repealed in its entirety. The state treasurer is  
24 hereby authorized and directed to transfer any remaining balance in the Revenue  
25 Stabilization Fund to the state general fund. Monies transferred pursuant to this Section  
26 shall be recognized by the Revenue Estimating Conference as nonrecurring revenues.

27 Section 11. R.S. 39:97 is hereby repealed in its entirety. The state treasurer is hereby  
28 authorized and directed to transfer any remaining balance in the Mineral Revenue Audit and  
29 Settlement Fund to the state general fund.



1 Section 12. The Louisiana State Law Institute is hereby authorized and directed to  
2 review all statutes which contain citations being changed by this Act and the Act that  
3 originated as House Bill No. 7 of the 2024 Third Extraordinary Session of the Legislature  
4 and in all statutory locations it deems appropriate change such references.

5 Section 13. Because of the broad impact of this Act and the Act that originated as  
6 House Bill No. 7 of the 2024 Third Extraordinary Session of the Legislature, the Louisiana  
7 State Law Institute is authorized and directed to study and make such recommendations as  
8 it deems necessary to revise statutory language to comply with changes that will be made  
9 by such Acts, if the Acts become effective. The Law Institute is directed to report its  
10 recommendations to the legislature on or before February 15, 2025.

11 Section 14. Upon the effective date of this Act, the state treasurer is hereby  
12 authorized and directed to transfer from the Revenue Stabilization Fund, into the Budget  
13 Stabilization Fund, an amount sufficient to bring the balance of the Budget Stabilization  
14 Fund equal to seven and one-half percent of the total state revenue receipts for the prior  
15 fiscal year.

16 Section 15. Section 10 of this Act shall become effective January 1, 2027.

17 Section 16. Section 9 of this Act shall become effective June 30, 2025.

18 Section 17. The provisions of this Section and Section 4 of this Act shall take effect  
19 and become operative on July 1, 2025, if and when the proposed amendment of Article VII  
20 of the Constitution of Louisiana contained in the Act which originated as House Bill No. 7  
21 of this 2024 Third Extraordinary Session of the Legislature is adopted at a statewide election  
22 and becomes effective.

23 Section 18.(A) The provisions of this Section and Sections 1 through 3, 5 through 7,  
24 11, 12, and 14 through 16 shall take effect and become operative if and when the proposed  
25 amendment of Article VII of the Constitution of Louisiana contained in the Act which  
26 originated as House Bill No. 7 of this 2024 Third Extraordinary Session of the Legislature  
27 is adopted at a statewide election and becomes effective.

28 (B) The provisions of Sections 8 and 13 of this Act shall become effective upon  
29 signature by the governor or, if not signed by the governor, upon expiration of the time for

- 1 bills to become law without signature by the governor, as provided by Article III, Section  
 2 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved  
 3 by the legislature, this Act shall become effective on the day following such approval.

### 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)]

HB 12 Reengrossed

2024 Third Extraordinary Session

Deshotel

**Abstract:** Provides relative to finances of the state and statutorily dedicated funds

#### **Louisiana Education Quality Trust Fund and the Louisiana Quality Education Support Fund**

Present law provides for allocations to the Louisiana Education Quality Trust Fund and the Louisiana Quality Education Support Fund and appropriations from these funds.

Proposed law repeals provisions related to the allocations made to the Louisiana Education Quality Trust Fund and the Louisiana Quality Education Support Fund. Retains provisions related to appropriations from the funds. Proposed law repeals all provisions related to both funds effective June 30, 2025.

#### **Oilfield Site Restoration Fund**

Present law establishes a fund in the custody of the treasurer called the Oilfield Site Restoration Fund. Proposed law establishes the fund as a special fund in the treasury.

Present law provides for the deposit, use, and investment of monies in the fund. Requires the state treasurer to certify to the secretary of the Dept. of Revenue the date on which the balance in the fund equals or exceeds \$14M.

Proposed law retains present law. Adds provisions requiring unexpended and unencumbered monies at the end of the fiscal year to remain in the fund, that monies in the fund be invested by the treasurer in the manner provided by law, and that interest earned on the monies in the fund shall be deposited into the fund. Requires the treasurer to prepare and submit to the Dept. of Energy and Natural Resources on a quarterly basis a report reflecting the balance of the fund.

#### **Oil Spill Contingency Fund**

Present law creates a special fund in the state treasury called the Oil Spill Contingency Fund in order to fulfill the constitutional mandate to protect, conserve, and replenish the natural resources of the state. Requires the monies in the fund be used in response to all threatened or actual unauthorized discharges of oil and for clean up. Provides for the deposit of monies derived from all fees, taxes, penalties, judgments, reimbursements, charges, and federal funds collected pursuant to the Oil Spill Prevention and Response Act. Provides for the deposit, uses, and investment of the monies in the fund.

Proposed law retains present law. Provides for the deposit of any monies derived from fees, taxes, penalties, reimbursements, charges, federal funds, or other revenue enacted by the legislature for the purposes of abatement and containment of actual or threatened unauthorized discharges of oil. Provides for deposit of funds or revenue donated to the fund.

Provides for monies in the fund to be appropriated for administrative costs associated with the abatement and containment of unauthorized discharges of oil.

### **Budget Stabilization Fund**

Present law creates a special fund in the state treasury called the Budget Stabilization Fund. Provides for deposits into the fund from all monies available for appropriations from the state general fund in excess of the expenditure limit. Provides for deposits into the fund from all revenues received in each fiscal year in excess of \$950M, referred to as the "base", as a result of production or exploration of minerals. Allows the "base" to be increased every 10 years by law enacted with a 2/3 vote of the members of the legislature. Further provides for deposits into the fund as follows: (1) the greater of \$25M from any source or 25% of any money designated in the official forecast as nonrecurring revenue; (2) any additional monies appropriated by the legislature; and (3) monies received from the federal government for the reimbursement of costs associated with a federal disaster. Provides for uses of monies in the fund in cases of a budget deficit. Prohibits any appropriation or deposit into the fund which would cause the balance of the fund to exceed 4% of total state revenue receipts (the cap) for the previous fiscal year.

Proposed law retains the Budget Stabilization Fund as a special fund within the state treasury. Retains the provision requiring a deposit into the fund from all monies in excess of the expenditure limit. Retains the uses of monies in the fund in cases of a budget deficit.

Proposed law removes the provision in present law regarding deposits in excess of \$950M of mineral revenues and the provisions regarding the increase of the "base". Proposed law provides for a new source of deposits into the fund. Proposed law provides for deposits from 15% of the corporate income and franchise tax revenues and 15% of mineral revenues received each fiscal year. Increases the cap to 7.5% of total state revenues for the previous fiscal year. Further provides that if these deposits cannot be made because the fund has reached "the cap", then these deposits would be made to the state general fund and incorporated into the official forecast as nonrecurring revenue. Defines mineral revenues as severance taxes, royalty payments, bonus payments, and rentals. Excludes revenues designated as nonrecurring, revenues received as a result of grants or donations, and revenues derived from any tax on the transportation of minerals. Further requires all unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund.

### **Millennium Trust**

Present law creates a special fund in the state treasury called the Millennium Trust. Provides for deposits into the fund from monies received as a result of the tobacco settlement, as well as any interest income and realized capital gains on investment of monies in the fund. Provides for 75% of the tobacco settlement funds to be deposited into the Millennium Trust. Creates three special subfunds within the Millennium Trust: (1) the Health Excellence Fund; (2) the Education Excellence Fund; and (3) the TOPS Fund.

Present law provides that beginning in FY 2012, deposits shall be made as follows: (1) 1/3 of all dividend and interest income and all realized capital gains on investments of monies in the fund to the Health Excellence Fund; (2) 1/3 of all dividend and interest income and all realized capital gains on investments of monies into the Education Excellence Fund; and (3) 100% (of the 75%) of the tobacco settlement proceeds deposited into the Millennium Trust Fund and 1/3 of all dividend and interest income and all realized capital gains of monies invested into the TOPS Fund. Requires the treasurer to report annually to the legislature the amount of investment earnings credited to the TOPS fund.

Proposed law retains the Millennium Trust as a special fund within the state treasury. Retains the Health Excellence Fund and the TOPS Fund, but repeals the Education Excellence Fund. Provides for deposits as follows: (1) 1/2 of all dividend and interest income

and all realized capital gains of monies invested to the Health Excellence Fund; and (2) 100% (of the 75%) of the tobacco settlement proceeds deposited into the Millennium Trust and ½ of all dividend and interest income and all realized capital gains of monies invested into the TOPS fund. Repeals language regarding deposit and the distribution of monies in the fund for prior fiscal years.

Present law provides for the investment of the Millennium Trust. Directs the treasurer to invest monies in the trust in the same investments permitted for the Louisiana Education Quality Trust Fund (LEQTF). Provides for investment maturity and interest rates on certificates of deposit. Authorizes the treasurer to enter into direct security repurchase agreements, reverse security repurchase agreements, and securities lending contracts in order to generate passive income. Provides definition for direct security repurchase agreements, reverse security repurchase agreements, and securities lending contracts. Requires the treasurer to annually submit a report on the performance of the trust to the Joint Legislative Committee on the Budget and the commissioner of administration. Requires the treasurer to annually submit a report on the performance of the Education Excellence Fund to the state superintendent of education.

Proposed law provides for the investment of the Millennium Trust; however, proposed law adds the types of investments allowable for monies in the LEQTF. Requires any investment managers hired on a contract basis to advise the treasurer to be selected by the treasurer and approved by the state bond commission. Removes the provision in present law that requires submission of the annual report regarding the performance of the Education Excellence Fund to the state superintendent of education. Retains all other provisions in present law.

Present law provides for appropriations from the subfunds within the Millennium Trust: (1) the Education Excellence Fund; (2) the Health Excellence Fund; and (3) the TOPS fund. Provides limitations to the amounts appropriated from the Education Excellence Fund, the Health Excellence Fund, and the TOPS fund. Provides for specific purposes for monies appropriated from the Health Excellence Fund, the Education Excellence Fund, and the TOPS fund.

Proposed law retains provisions in present law regarding appropriations from the Health Excellence Fund and the TOPS fund. Proposed law repeals prior year limitations on amounts that may be appropriated from the funds.

Proposed law repeals provisions related to the allocations made to the Education Excellence Fund and retains the provisions in present law regarding appropriations from the fund. Proposed law repeals all provisions of the Education Excellence Fund effective June 30, 2025.

#### **Louisiana Fund**

Present law creates a special fund in the state treasury called the Louisiana Fund. Provides for the remaining monies from the tobacco settlement after the deposit into the Millennium Trust, and all interest income. Provides for monies in the fund to be invested in the same manner as the state general fund. Provides for all unencumbered and unexpended monies in the fund to remain in the fund. Provides for appropriations from the fund not to exceed 50% of the total amount of monies appropriated from the fund in any fiscal year. Provides for purposes of appropriations from the fund.

Proposed law provides for all unencumbered and unexpended monies in the fund at the end of the fiscal year to remain in the fund. Retains all other provisions in present law.

#### **Dedication of Mineral Revenues**

Present law provides for the dedication of mineral revenues to 13 separate funds, to the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana, and to the Revenue Stabilization Trust Fund.

Proposed law repeals the dedication of mineral revenues to the following: the Louisiana Wildlife and Fisheries Conservation Fund, the Oil and Gas Regulatory Dedicated Fund Account, the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, Mineral Revenue Audit and Settlement Fund, the Transportation Trust Fund, the Revenue Stabilization Trust Fund, the Louisiana State Employees' Retirement System, and the Teachers' Retirement System of Louisiana. Retains the provisions in present law related to the dedication of mineral revenues to the Bond Security and Redemption Fund, the political subdivisions of the state, the Louisiana Wildlife and Fisheries Conservation Fund, the Rockefeller Wildlife Refuge and Game Preserve Fund, the Marsh Island Operating Fund, the Russell Sage or Marsh Island Refuge Fund, the MC Davis Conservation Fund, the White Lake Property Fund, the Coastal Protection and Restoration Fund, and the Budget Stabilization Fund.

### **Louisiana Unclaimed Property Permanent Trust Fund**

Present law creates a special fund in the state treasury called the Louisiana Unclaimed Property Permanent Trust Fund. Prohibits appropriations from the fund. Provides for the fund to ensure a source of payment for claims made by owners of unclaimed property. Deposits into the fund derive from the amount of all monies received as a result of the Uniform Unclaimed Property Act of 1997. Provides for realized capital gains, dividend income, and interest income earned on the investments in the fund to be deposited into the state general fund.

Proposed law retains present law and provides for investment of monies in the fund.

### **Revenue Stabilization Fund**

Present law creates a special fund in the state treasury called the Revenue Stabilization Trust Fund. Deposits into the fund derive from mineral revenues, as provided by law, and revenues in excess of \$600M from corporate franchise and income tax. Further provides for allowable uses of monies in the fund when the balance is in excess of \$5B. Appropriations may be made from the fund in an amount not to exceed 10% of the fund balance for: (1) capital outlay projects and (2) transportation infrastructure. Allows for the minimum fund balance and the allowable percentage to be changed by law enacted with a 2/3 vote of the legislature. Provides for uses of monies in the fund during an emergency.

Proposed law retains the special fund in the state treasury, but changes the name to the Revenue Stabilization Fund. Removes all other present law provisions.

Proposed law authorizes use of monies in the fund for a one-time payment to each parish which elects to irrevocably exempt business inventory from ad valorem tax prior to July 1, 2026. Further authorizes monies in the fund to be used when revenues from corporate income tax collections fall below \$800M. Allows the legislature to appropriate an amount not to exceed the difference between the actual corporation income tax collections and \$800 M. Provides that unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund.

Proposed law will be repealed on Jan. 1, 2027. Upon repeal, the treasurer is authorized and directed to transfer any remaining monies in the fund to the state general fund, which shall then be recognized as nonrecurring revenues.

### **Coastal Protection and Restoration Fund**

Present law creates a special fund in the state treasury called the Coastal Protection and Restoration Fund. Provides for deposit, use, and investment of monies in the fund.

Proposed law changes internal cross references to the Constitution of Louisiana and state statutes to align with House Bill No. 7. Provides for the treasurer to deposit \$25 M of mineral revenues into the fund. Repeals provisions in present law related to caps on deposits of mineral revenues into the fund. Proposed law retains all other provisions of present law.

### **Artificial Reef Development Fund**

Present law creates a special fund in the state treasury called the Artificial Reef Development Fund. Provides for deposit, use, and investment of monies in the fund.

Proposed law makes technical changes. Further changes internal cross references to the Constitution of Louisiana to align with House Bill No. 7 of the 2024 3<sup>rd</sup> E.S. of the Legislature. Adds sitting, designing, and constructing of artificial reefs as an allowable use of monies in the fund. Requires the state treasurer to submit an annual report to the Dept. of Wildlife and Fisheries containing a statement of monies in the fund. Proposed law retains all other provisions of present law.

### **Repealed Funds**

Present law creates a special fund in the state treasury called the Mineral Revenue Audit and Settlement Fund. Provides for the deposit, use, and investment of monies in the fund. Proposed law repeals the Mineral Revenue Audit and Settlement Fund and directs the state treasurer to transfer any balance in the fund to the state general fund.

Proposed law repeals certain provisions within the Oilfield Site Restoration Fund. Provides for the repeal of the certification from the state treasurer to the Secretary of Revenue when the balance in the fund reaches \$14M. Provides for the repeal of provisions regarding when fees may be collected after the certification. Provides for the repeal of provisions which lists the monies that shall not be counted to determine the balance of the fund.

Proposed law repeals the provision in present law authorizing 10% of funds deposited into the Artificial Reef Development Fund and 10% of the interest earned to provide funding for inshore fisheries habitat enhancement projects.

### **Louisiana State Law Institute**

Proposed law authorizes and directs the law institute to review all statutes which contain citations being changed by proposed law and the Act that originated as House Bill No. 7 of the 2024 3<sup>rd</sup> E.S. of the Legislature. Effective if and when the proposed amendment of Art. 7 of the Constitution of La. contained in the Act which originated as House Bill No. 7 of this 2024 3<sup>rd</sup> E.S. of the Legislature is adopted at a statewide election and becomes effective.

Proposed law authorizes and directs the law institute to study and make recommendations to revise statutory language to comply with changes that will be made by proposed law and the Act which originated as House Bill No. 7 of the 2024 3<sup>rd</sup> E.S. of the Legislature. The law institute is directed to report to the legislature by Feb. 15, 2025. Effective upon signature of the governor.

### **Effectiveness**

Repealed provisions of law and all other sections of this bill (unless otherwise stated) become effective if and when the proposed amendment of Art. 7 of the Constitution of La. contained in the Act which originated as House Bill No. 7 of the 2024 3<sup>rd</sup> E.S. of the Legislature is adopted at a statewide election and becomes effective.

Proposed law regarding the Revenue Stabilization fund shall become effective on July 1, 2025 if the proposed amendment of Art. 7 of the Constitution of La. contained in the Act which originated as House Bill No. 7 of the 2024 3<sup>rd</sup> E.S. of the Legislature is adopted at a statewide election and becomes effective. The repeal of the Revenue Stabilization Fund is effective on Jan. 1, 2027.

(Amends R.S. 17:3801(A) and (C) and 3802(A)(1), R.S. 30:86(A)(1) and 2483(B)-(E), R.S. 39:94(A)(intro. para.) and (1)-(4), (B), and (C)(5), 98.1, 98.2(A) and (E), 98.3(A) and (C)(intro. para.), 98.4(A), 100.112, 110.116(A)(intro. para.), (1)-(3), (10), (12), and (B), and 100.161(B)(3), R.S. 49:214.5.4(B)-(D) and (E)(1), (F),(G)(intro. para.), (H), (I)(1), and (J), and R.S. 56:639.8(C) and (E)(1); Adds R.S. 30:86(I)-(K) and 2483(F) and (G) and R.S. 56:639.8(H); Repeals R.S. 17:3801-3805, R.S. 30:86(C), and R.S. 39:97, 98.3(C) and (E), 100.112, 100.116(A)(4), (9), (11), and (13), (C), and (D), R.S. 49:214.5.4(K), and R.S. 56:639.8(E)(3))

#### Summary of Amendments Adopted by House

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

1. Repeal provisions related to allocations made to the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, and the Education Excellence Fund. Retain provisions related to appropriations from the funds.
2. Repeal the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, and the Education Excellence Fund effective June 30, 2025.
3. Repeal provisions related to the dedication of mineral revenues to the Louisiana Wildlife and Fisheries Conservation Fund and the Oil and Gas Regulatory Dedicated Fund Account, the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, the Mineral Revenue Audit and Settlement Fund, the Transportation Trust Fund, the Louisiana State Employees' Retirement System, and the Teachers' Retirement System of Louisiana.
4. Restore the provisions of the Conservation Fund to present law.
5. Restore the provisions of the State Bond Commission to present law.
6. Make technical changes.

#### The House Floor Amendments to the engrossed bill:

1. Change the language regarding investments in time certificates of deposit to conform with present law.
2. Repeal the provision in present law authorizing 10% of funds deposited into the Artificial Reef Development Fund and 10% of the interest earned to provide funding for inshore fisheries habitat enhancement projects.
3. Provide for the treasurer to deposit \$25 M of mineral revenues to the Coastal Protection and Restoration Fund. Repeals provisions related to caps on deposits of mineral revenues into the fund.
4. Make technical changes.