

Regular Session, 2014

HOUSE BILL NO. 629

BY REPRESENTATIVE ST. GERMAIN

FUNDS/FUNDING: (Constitutional Amendment) Provides for the deposit of revenues into the Transportation Trust Fund

A JOINT RESOLUTION

Proposing to amend Article VII, Section 27(A) and to add Article VII, Section 10.3(A)(2)(a)(iv) of the Constitution of Louisiana, to provide with respect to special treasury funds; to provide for the deposit of certain excess mineral revenues into the Transportation Trust Fund; to provide for the use of monies deposited into the fund; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 27(A) and to add Article VII, Section 10.3(A)(2)(a)(iv) of the Constitution of Louisiana, to read as follows:

§10.3. Budget Stabilization Fund

Section 10.3.(A) There is hereby established in the state treasury a Budget Stabilization Fund hereinafter referred to as the fund. Money shall be deposited in the fund as follows:

* * *

(2)(a) All revenues received in each fiscal year by the state in excess of seven hundred fifty million dollars, hereinafter referred to as the base, as a result of the production of or exploration for minerals, hereinafter referred to as mineral

1 revenues, including severance taxes, royalty payments, bonus payments, or rentals,
2 and excluding such revenues designated as nonrecurring pursuant to Article VII,
3 Section 10(B) of the constitution, any such revenues received by the state as a result
4 of grants or donations when the terms or conditions thereof require otherwise, and
5 revenues derived from any tax on the transportation of minerals, shall be deposited
6 in the fund after the following allocations of said mineral revenues have been made:

7 * * *

8 (iv) To the Transportation Trust Fund as provided by Article VII, Section
9 27(A)(2) of this constitution.

10 * * *

11 §27. Transportation Trust Fund

12 Section 27.(A) Creation of fund. (1) Effective January 1, 1990, there shall
13 be established in the state treasury as a special permanent trust fund the
14 Transportation Trust Fund ("the trust fund") in which shall be deposited the "excess
15 revenues" as defined herein which are a portion of the avails received in each year
16 from all taxes levied on gasoline and motor fuels and on special fuels (said avails
17 being referred to as the "revenues") as provided herein. After satisfying pledges
18 respecting that portion of the revenues attributable to the tax rates in effect at the
19 time of such pledges for the payment of obligations for bonds or other evidences of
20 indebtedness on the effective date of this Section, the treasurer shall allocate such
21 portion of the revenues received in each year as necessary to pay all principal,
22 interest, premium, if any, and other obligations incident to the issuance, security, and
23 payment in respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the
24 portion of the revenues remaining shall be deposited in the Bond Security and
25 Redemption Fund in the state treasury. After ~~(1)~~ (a) the payment of any obligations
26 for bonds or other evidences of indebtedness in existence on the effective date of this
27 Section which are secured by revenues; ~~(2)~~ (b) payments in respect of bonds
28 authorized in Paragraph (C) hereof; and ~~(3)~~ (c) credit to the Bond Security and
29 Redemption Fund, the treasurer shall deposit in and credit to the trust fund all of the

1 revenues remaining (the "excess revenues") from the avails of all taxes levied on
2 gasoline and motor fuels and on special fuels, as follows: for the fiscal year
3 beginning July 1, 1989, the avails of twelve cents per gallon of said taxes received
4 on and after January 1, 1990; for the fiscal year beginning on July 1, 1990, the avails
5 of fourteen cents per gallon of said taxes; for the fiscal year beginning on July 1,
6 1991, and thereafter, the avails of all taxes levied on gasoline and motor fuels and
7 on special fuels. Purchases of gasoline, diesel fuel, or special fuels which are subject
8 to excise tax under Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised
9 Statutes of 1950 shall be exempt from the state sales tax and any sales tax levied by
10 a political subdivision as defined by Article VI, Section 44(2). All monies
11 appropriated by the Federal Highway Administration and the Federal Aviation
12 Administration, or their successors, either reimbursed or paid directly, shall be paid
13 directly or deposited in and credited to the trust fund.

14 (2)(a) Beginning in the fiscal year that starts July 1, 2017, and for each fiscal
15 year thereafter, until the end of the fiscal year which ends June 30, 2027, the first
16 fifty million dollars of mineral revenues in excess of the base amount of such
17 revenues as defined in Article VII, Section 10.3(A)(2) of this constitution, including
18 severance taxes, royalty payments, bonus payments, or rentals, and excluding such
19 revenues designated as nonrecurring pursuant to Article VII, Section 10(B) of the
20 constitution, any such revenues received by the state as a result of grants or
21 donations when the terms or conditions thereof require otherwise, and revenues
22 derived from any tax on the transportation of minerals, shall be deposited in the fund
23 after the following allocations of said mineral revenues have been made:

24 (i) To the Bond Security and Redemption Fund as provided by Article VII,
25 Section 9(B) of this constitution.

26 (ii) To the political subdivisions of the state as provided in Article VII,
27 Sections 4(D) and (E) of this constitution.

28 (iii) As provided by the requirements of Article VII, Section 10-A and 10.1
29 of this constitution.

1 (b) Monies deposited into the fund pursuant to the provisions of
2 Subsubparagraph (a) of this Subparagraph may be expended in the same manner as
3 all other monies deposited into the fund, with the exception that if a state
4 infrastructure bank is established by law then all such monies shall be used for
5 capitalization of the bank.

6 * * *

7 Section 2. Be it further resolved that this proposed amendment shall be submitted
8 to the electors of the state of Louisiana at the statewide election to be held on November 4,
9 2014.

10 Section 3. Be it further resolved that on the official ballot to be used at the election,
11 there shall be printed a proposition, upon which the electors of the state shall be permitted
12 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
13 follows:

14 Do you support an amendment to provide for the annual deposit of certain
15 available excess mineral revenues into the Transportation Trust Fund in order
16 to capitalize a state infrastructure bank, if such a bank is established, instead
17 of depositing the excess mineral revenues into the Budget Stabilization Fund
18 beginning July 1, 2017, and ending June 30, 2027? (Amends Article VII,
19 Section 27(A); Adds Article VII, Section 10.3(A)(2)(a)(iv))

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)]

St. Germain HB No. 629

Abstract: Provides for the annual deposit of \$50 million of excess mineral revenues into the Transportation Trust Fund for ten years beginning July 1, 2017, rather than deposit into the Budget Stabilization Fund.

Present constitution establishes the Budget Stabilization Fund and requires the deposit of mineral revenues in excess of \$750 million (base amount) which are derived from the production of or exploration for minerals (mineral revenue), including severance taxes, royalty payments, bonus payments, or rentals, and excluding revenues designated as nonrecurring pursuant to Article VII, Section 10(B) of the constitution, revenues received by the state as a result of grants or donations when the terms or conditions of the grant

require otherwise, and revenues derived from any tax on the transportation of minerals, such deposit to be made after the following allocations of said mineral revenues have been made:

- (1) To the Bond Security and Redemption Fund as provided by Article VII, Section 9 (B) of present constitution.
- (2) To the political subdivisions of the state as provided in Article VII, Sections 4 (D) and (E) of present constitution.
- (3) As provided by the requirements of Article VII, Section 10-A and 10.1 of present constitution.

Present constitution authorizes an increase in the base amount for deposits into the Budget Stabilization Fund every 10 years beginning in 2000 by a law enacted by two-thirds of the elected members of each house of the legislature. Present law provides that the base amount is \$850 million.

Present constitution provides that monies in the Budget Stabilization Fund are available exclusively for use in the case of an existing or projected budget deficit.

Present constitution establishes the Transportation Trust Fund (TTF) as a special treasury fund into which the proceeds of the state tax on gasoline and other fuels is deposited. Monies in the TTF are used for support of the state's highway priority program administered by the Dept. of Transportation and Development.

Proposed constitutional amendment requires the first \$50 million of excess mineral revenues above the base amount established in present constitution for the Budget Stabilization Fund to be deposited into the TTF instead of the Budget Stabilization Fund. The deposit would be made each year beginning July 1, 2017, and end in the fiscal year that ends June 30, 2027.

Proposed constitutional amendment provides that monies deposited into the TTF pursuant to proposed constitutional amendment shall be used in the same manner as all other monies in the TTF, except if a state infrastructure bank is established by law, then such monies shall be used to capitalize the bank.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 4, 2014.

(Amends Const Art. VII, §27(A); Adds Const. Art. VII, §10.3(A)(2)(a)(iv))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Changed beginning date of the ten-year period for deposits into the TTF from July 1, 2015, to July 1, 2017, and the end date from June 30, 2025, to June 30, 2027.

Committee Amendments Proposed by House Committee on Civil Law and Procedure to the engrossed bill.

1. Added language to the ballot language to specify the use of the excess mineral revenues to capitalize a state infrastructure bank.