

2015 Regular Session

SENATE BILL NO. 202

BY SENATOR ADLEY

FUNDS/FUNDING. Constitutional amendment to rename the Budget Stabilization Fund to the Budget and Transportation Stabilization Trust and to provide for use of monies in the fund. (2/3s CA 13s 1 (A))

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10(D)(2)(d), the introductory paragraph of 10.3(A)
3 and the introductory paragraph of 10.3 (A)(2)(a) and (b), and 10.5(B), and to add
4 Article VII, Section 10.3(A)(2)(c) of the Constitution of Louisiana, to provide with
5 respect to special treasury funds; to rename the Budget Stabilization Fund to the
6 Budget and Transportation Stabilization Trust and to provide for its purposes; to
7 provide for increases to the base every five years; to create the Budget Stabilization
8 Subfund and the Transportation Stabilization Subfund in the Budget and
9 Transportation Stabilization Trust; to provide for the deposit of certain excess
10 mineral revenues into the Budget Stabilization Subfund and the Transportation
11 Stabilization Subfund; to provide for the uses of monies deposited into the funds; to
12 specify an election for submission of the proposition to electors and provide a ballot
13 proposition.

14 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
15 elected to each house concurring, that there shall be submitted to the electors of the state of
16 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
17 amend Article VII, Section 10(D)(2)(d), the introductory paragraph of 10.3(A) and the

1 introductory paragraph of 10.3(A)(2)(a) and (b), and 10.5(B), and to add Article VII, Section
2 10.3(A)(2)(c) of the Constitution of Louisiana, to read as follows:

3 §10. Expenditure of State Funds

4 Section 10.

5 * * *

6 (D) Appropriations.

7 * * *

8 (2) Except as otherwise provided in this constitution, the appropriation or
9 allocation of any money designated in the official forecast as nonrecurring shall be
10 made only for the following purposes:

11 * * *

12 (d) Providing for allocation or appropriation for deposit into the Budget and
13 Transportation Stabilization Fund Trust established in Article VII, Section 10.3 of
14 this constitution.

15 * * *

16 §10.3. Budget and Transportation Stabilization Fund Trust

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

20 * * *

21 (2)(a) All revenues received in each fiscal year by the state in excess of
22 seven hundred fifty million dollars, hereinafter referred to as the base, as a result of
23 the production of or exploration for minerals, hereinafter referred to as mineral
24 revenues, including severance taxes, royalty payments, bonus payments, or rentals,
25 and excluding such revenues designated as nonrecurring pursuant to Article VII,
26 Section 10(B) of the constitution, any such revenues received by the state as a result
27 of grants or donations when the terms or conditions thereof require otherwise, and
28 revenues derived from any tax on the transportation of minerals, shall be deposited
29 in the fund in accordance with Subsubparagraph (c) of this Paragraph after the

1 following allocations of said mineral revenues have been made:

2 * * *

3 (b) The base may be increased every ~~ten~~ **five** years beginning in the year
4 ~~2000~~ **2014** by a law enacted by two-thirds of the elected members of each house of
5 the legislature. Any such increase shall not exceed fifty percent in the aggregate of
6 the increase in the consumer price index for the immediately preceding ten years.

7 **(c) At the beginning of each fiscal year, the monies in the Budget and**
8 **Transportation Stabilization Trust as provided in Subsubparagraph (a) of this**
9 **Subparagraph shall be allocated and deposited into the Budget Stabilization**
10 **Subfund which is hereby established in the Budget and Transportation**
11 **Stabilization Trust as a special subfund, and into the Transportation**
12 **Stabilization Subfund which is hereby established in the Budget and**
13 **Transportation Stabilization Trust as a special subfund, as follows:**

14 **(i) Beginning in Fiscal Year 2015-2016, mineral revenues in excess of the**
15 **base shall be deposited in the Budget Stabilization Subfund until the balance in**
16 **the fund equals and shall be maintained in the amount of five hundred million**
17 **dollars.**

18 **(ii) Once the balance in the Budget Stabilization Subfund equals five**
19 **hundred million dollars, mineral revenues shall be deposited into the**
20 **Transportation Stabilization Subfund at the beginning of the next fiscal year**
21 **until the balance in the Transportation Stabilization Subfund equals and shall**
22 **be maintained in the amount of five hundred million dollars. Thereafter, any**
23 **excess mineral revenues shall be deposited into the state general fund. The**
24 **legislature may appropriate additional monies into either the Budget**
25 **Stabilization Subfund or the Transportation Stabilization Subfund. Monies in**
26 **the Transportation Stabilization Subfund shall be appropriated by the**
27 **legislature and used solely and exclusively for planning, design, construction,**
28 **and maintenance connected with the state highway program, provided that an**
29 **amount not less than twenty percent of the funds appropriated by the**

1 legislature from the Transportation Stabilization Subfund pursuant to this Item
 2 shall be used solely and exclusively for the Louisiana Intermodal Connector
 3 Program within the Department of Transportation and Development.

4 (iii) No deposit of mineral revenues shall be made as provided in Items
 5 (i) and (ii) of this Subsubparagraph in any fiscal year in which money in the
 6 fund is appropriated for use or incorporated into the official forecast as
 7 provided in Subparagraphs (C)(1) or (2) of this Section or in the ensuing fiscal
 8 year, except by specific appropriation by the legislature.

9 * * *

10 §10.5. Mineral Revenue Audit and Settlement Fund

11 Section 10.5.

12 * * *

13 (B) After making the allocations provided for in Paragraph (A) of this
 14 Section, the treasurer shall then deposit in and credit to the Mineral Revenue Audit
 15 and Settlement Fund any such remaining revenues. Any revenues deposited in and
 16 credited to the fund shall be considered mineral revenues from severance taxes,
 17 royalty payments, bonus payments, or rentals for purposes of determining deposits
 18 and credits to be made in and to the Coastal Protection and Restoration Fund as
 19 provided in Article VII, Section 10.2 of this constitution. Any revenues deposited in
 20 and credited to the fund shall not be considered mineral revenues for purposes of the
 21 Budget and Transportation Stabilization Fund Trust as provided in Article VII,
 22 Section 10.3 of this constitution. Money in the fund shall be invested as provided by
 23 law. The earnings realized in each fiscal year on the investment of monies in the
 24 Mineral Revenue Audit and Settlement Fund shall be deposited in and credited to the
 25 Mineral Revenue Audit and Settlement Fund.

26 * * *

27 Section 2. Be it further resolved that this proposed amendment shall be submitted
 28 to the electors of the state of Louisiana at the statewide election to be held on October 24,
 29 2015.

1 Section 3. Upon the effective date of this proposition, the treasurer shall be
2 immediately authorized and directed to transfer any unexpended, unencumbered balance in
3 the Budget Stabilization Fund, including all interest and principal, to the Budget and
4 Transportation Stabilization Trust as provided in the constitutional amendment.

5 Section 4. Be it further resolved that on the official ballot to be used at the election,
6 there shall be printed a proposition, upon which the electors of the state shall be permitted
7 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
8 follows:

9 Do you support an amendment to rename the Budget Stabilization Fund to
10 the Budget and Transportation Stabilization Trust; to authorize the mineral
11 revenue base to be increased every five years; to create the Budget
12 Stabilization Subfund as a subfund in the Trust, to be funded with mineral
13 revenues until reaching a maximum balance of five hundred million dollars,
14 to be appropriated and used when the state has a deficit; to create the
15 Transportation Stabilization Subfund as a subfund in the Trust, to be funded
16 with mineral revenues until reaching a maximum balance of five hundred
17 million dollars, to be appropriated and used for planning, design,
18 construction, and maintenance connected with the state highway program,
19 with twenty percent dedicated for use by the Louisiana Intermodal Connector
20 Program; and to provide for the interruption of deposits into the Budget
21 Stabilization Subfund and the Transportation Trust Subfund the year that the
22 state has a deficit and the following year with the resumption of deposit of
23 mineral revenues in the Budget and Transportation Stabilization Trust
24 thereafter?

25 (Amends Article VII, Section 10(D)(2)(d), 10.3(A)(introductory paragraph)
26 and (A)(2)(a)(introductory paragraph) and (b), and 10.5(B); adds Article VII,
27 Section 10.3(A)(2)(c))

The original instrument was prepared by Jay Lueckel. The following digest, which does not constitute a part of the legislative instrument, was prepared by Linda Nugent.

DIGEST

SB 202 Reengrossed

2015 Regular Session

Adley

Present constitution establishes the Budget Stabilization Fund in the state treasury. Proposed constitutional amendment changes name of the fund from the Budget Stabilization Fund to the Budget and Transportation Stabilization Trust (the Trust) in constitution.

Present constitution provides for deposits of mineral revenues in the Budget Stabilization Fund in excess of the base and authorizes the base to be increased every ten years by a law enacted by two-thirds of the elected members of each house of the legislature. Proposed constitutional amendment retains present constitution except it changes the time period for the base to be increased, beginning in 2014, from ten years to five years.

Proposed constitutional amendment creates the Budget Stabilization Subfund and the Transportation Stabilization Subfund in the Budget and Transportation Stabilization Trust and provides that at the beginning of each fiscal year, mineral revenues shall be allocated and deposited into the subfunds as follows:

- (1) Beginning in Fiscal Year 2015-2016, mineral revenues in excess of the base shall be deposited in the Budget Stabilization Subfund until the balance in the fund equals and shall be maintained in the amount of \$500 million.
- (2) Once the balance in the Budget Stabilization Subfund equals \$500 million, mineral revenues shall be deposited into the Transportation Stabilization Subfund at the beginning of the next fiscal year until the balance in the Transportation Stabilization Subfund equals and shall be maintained in the amount of \$500 million. Thereafter, any excess mineral revenues shall be deposited into the state general fund. The legislature may appropriate additional monies into either the Budget Stabilization Subfund or the Transportation Stabilization Subfund.

Proposed constitutional amendment provides that monies in the Transportation Stabilization Subfund shall be appropriated by the legislature and used solely and exclusively for planning, design, construction, and maintenance connected with the state highway program, provided that at least 20% of the funds appropriated from the Transportation Stabilization Subfund shall be used only for the Louisiana Intermodal Connector Program within DOTD.

- (3) No deposit of mineral revenues shall be made in any fiscal year in which money in the fund is appropriated for use or incorporated into the official forecast or in the ensuing fiscal year, except by specific appropriation by the legislature.

Specifies submission of the amendment to the electors of the state of Louisiana at the statewide election to be held on October 24, 2015.

(Amends Const. Art. VII, Sec. 10(D)(2)(d), 10.3(A)(intro para) and (A)(2)(a)(intro para) and (b), and 10.5(B); adds Art VII, Sec. 10.3(A)(2)(c))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Specifies that the balance of the Budget Stabilization Subfund shall be

maintained in the amount of \$500 million.

2. Specifies that the balance of the Transportation Stabilization Subfund shall be maintained in the amount of \$500 million.

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Deletes requirement to fund a state infrastructure bank from monies appropriated from the Transportation Stabilization Subfund.
2. Requires that at least 20% of monies appropriated from the Transportation Stabilization Subfund be used for the Louisiana Intermodal Connector Program within DOTD.
3. Technical amendments.