

Regular Session, 2008

HOUSE BILL NO. 812

BY REPRESENTATIVE TRAHAN

EDUCATION/FINANCE-8G: (Constitutional Amendment) Removes provision requiring, when the Permanent Trust Fund balance reaches \$2 billion, interest earnings to be credited to the Support Fund and recurring revenues to the State General Fund

1

A JOINT RESOLUTION

2

Proposing to repeal Article VII, Section 10.1(A)(3) of the Constitution of Louisiana, relative

3

to the Louisiana Education Quality Trust Fund; to remove provisions requiring the

4

allocation of certain monies related to the fund once its balance reaches a certain

5

level; to provide for submission of the proposed amendment to the electors; and to

6

provide for related matters.

7

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members

8

elected to each house concurring, that there shall be submitted to the electors of the state of

9

Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal

10

Article VII, Section 10.1(A)(3) of the Constitution of Louisiana.

11

Section 2. Be it further resolved that this proposed amendment shall be submitted

12

to the electors of the state of Louisiana at the statewide election to be held on November 4,

13

2008.

14

Section 3. Be it further resolved that on the official ballot to be used at said election

15

there shall be printed a proposition, upon which the electors of the state shall be permitted

16

to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall

17

read as follows:

18

To remove the requirement that after the balance of the Louisiana Education

19

Quality Trust Fund reaches two billion dollars, all interest earnings on the

20

fund shall be credited to the Louisiana Quality Education Support Fund and

1 all recurring revenues shall be credited to the State General Fund. (Repeals  
2 Article VII, Section 10.1(A)(3))

---

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)]

---

Trahan

HB No. 812

**Abstract:** Relative to the La. Educational Quality Trust Fund, removes provision requiring, when the Permanent Trust Fund balance reaches \$2 billion, all interest earnings on it to be credited to the Support Fund and all recurring revenues to be credited to the State General Fund.

Present constitution provides that effective Jan. 1, 1987, the Louisiana Education Quality Trust Fund ("Permanent Trust Fund" or "PTF") is established in the state treasury. After allocation of money to the Bond Security and Redemption Fund (BSRF), the treasurer shall deposit in and credit to the PTF all money received from the following:

- (1) Monies after the first \$100 million from the federal government attributable to mineral production or leasing activities on the Outer Continental Shelf held in escrow pending settlement between the U.S. and La.;
- (2) 25% of the recurring revenues received which are attributable to mineral production activity or leasing activity on the Outer Continental Shelf;
- (3) 25% of the interest income earned on investment of monies in the PTF;
- (4) 75% of the realized capital gains on investment of the PTF, unless such percentage is changed by law enacted by 2/3 of the elected members of each house of the legislature;
- (5) And 25% of the dividend income earned on investment of the PTF.

Present constitution prohibits appropriation to be made from the PTF and requires the treasurer, if any such money was received prior to the effective date of present constitution, to transfer from the State General Fund to the PTF on that date an amount of money making the PTF balance equal to the amount of such money previously received, except for the first \$100 million. Requires, after \$600 million has been credited to the PTF, \$50 million to be credited to the Coastal Environment Protection Trust Fund from monies received from the federal government attributable to mineral production activity or leasing activity on the Outer Continental Shelf and held in escrow pending a settlement between the U.S. and La. Further requires all funds in excess of \$750 million to be credited to the PTF. Provides that after allocation of money to the BSRF, 75% of the recurring revenues received which are attributable to mineral production activity or leasing activity and the percent remaining of the realized capital gains and interest income and dividend income earned on investment of the PTF after the deposit required to the PTF shall be deposited and credited to a special fund in the state treasury known as the La. Quality Education Support Fund ("Support Fund").

Proposed constitution retains present constitution.

Present constitution requires recurring revenues and interest earnings to be credited to the respective funds as provided in present constitution (above) until the balance in the Permanent Trust Fund (PTF) equals \$2 billion, after which all interest earnings on the PTF

shall be credited to the Support Fund and all recurring revenues shall be credited to the State General Fund.

Proposed constitution repeals present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 4, 2008.

(Repeals Const. Art. VII, §10.1(A)(3))