

STATEMENT OF PROPOSED CONSTITUTIONAL AMENDMENTS
October 22, 2011

In compliance with R.S. 18:431, R.S. 18:552, R.S. 18:553 and R.S. 18:1306, a statement of the Proposed Constitutional Amendments in the order in which they will appear on the ballot for the October 22, 2011 election is provided as follows:

1. [Act 423](#) (2011 Regular Session) amends Article VII, Section 10.8(A)(1)(c), (A)(2), (3), and (4), and (C)(1) and adds Article VII, Section 4.1.

Present Constitution establishes the Millennium Trust in the state treasury as a special permanent trust and provides that monies received as a result of the Master Settlement Agreement and approved by Consent Decree in the case of “Richard P. Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.” shall be deposited in and credited to the Millennium Trust. Further provides that the Millennium Trust shall consist of settlement proceeds and all dividend and interest income and all realized capital gains on investment of the monies in the Millennium Trust.

Present Constitution provides that for fiscal year 2002-2003 and each fiscal year thereafter, 75% of the total monies received that fiscal year as a result of the Settlement Agreement shall be deposited in and credited to the Millennium Trust.

Present Constitution establishes the Health Excellence Fund and Education Excellence Fund within the Millennium Trust and requires the treasurer to credit to each fund 1/3 of the Settlement Agreement proceeds deposited each year into the Millennium Trust and 1/3 of all investment earnings on the investment of the Millennium Trust.

Present Constitution establishes the TOPS Fund within the Millennium Trust and requires the treasurer to deposit in and credit to the fund 1/3 of the Settlement Agreement proceeds deposited into the Millennium Trust and 1/3 of all investment earnings on the investment of the Millennium Trust.

Proposed Constitutional Amendment provides that to ensure revenue for the dedication into the Health Excellence Fund, as provided for in Article VII, Section 10.8(C)(2)(c) of this constitution, the rate of the tax levied for certain tobacco products pursuant to R.S. 47:841(B)(3) shall not be less than the rate that exists on January 1, 2012.

Proposed Constitutional Amendment provides that beginning in Fiscal Year 2011-2012, after the balance in the Millennium Trust reaches a total of \$1,380,000,000, the monies deposited in and credited to the Millennium Trust, received as a result of the Settlement Agreement, shall be allocated as follows: 1) Health Excellence Fund – 1/3 of all investment earnings on the investment of the Millennium Trust, beginning Fiscal Year 2011-2012 and each fiscal year thereafter; 2) Education Excellence Fund – 1/3 of all investment earnings on the investment of the Millennium Trust, beginning Fiscal Year 2011-2012 and each fiscal year thereafter; and 3) TOPS Fund – 100% of the Settlement Agreement proceeds deposited into the Millennium Trust and 1/3 of all investment earnings on the investment of the Millennium Trust, beginning Fiscal year 2011-2012 and each fiscal year thereafter. Further provides that upon the effective date of the proposed amendment to this constitution, the state treasurer shall deposit, transfer or otherwise credit funds in an amount equal to such Settlement Agreement proceeds deposited in and credited to the Millennium Trust received by the state between April 1, 2011 and the effective date of the proposed amendment to this constitution to the TOPS Fund.

Proposed Constitutional Amendment provides that beginning on July 1, 2012, after allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this constitution, the state treasurer shall deposit in and credit to the Health Excellence Fund an amount equal to the revenues derived from the tobacco tax levied pursuant to R.S. 47:841(B)(3).

Present Constitution provides that appropriations from the Health Excellence Fund, Education Excellence Fund and TOPS Fund shall be limited to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust as recognized by the Revenue Estimating Conference.

Proposed Constitutional Amendment retains present constitution for the limitation on appropriations from the Education Excellence Fund from interest, dividends, and realized capital gains on investment of the trust.

Proposed Constitutional Amendment provides that for Fiscal Year 2011-2012, appropriations from the Health Excellence Fund shall be limited to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust and credited to the Health Excellence Fund and as recognized by the Revenue Estimating Conference.

Proposed Constitutional Amendment provides that for Fiscal Year 2012-2013 and each fiscal year thereafter, appropriations from the Health Excellence Fund shall be limited to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust and credited to the Health Excellence Fund and as recognized by the Revenue Estimating Conference and the amount of proceeds credited to and deposited into the Health Excellence Fund from the tobacco tax.

Proposed Constitutional Amendment provides that for Fiscal Year 2011-2012, appropriations from the TOPS Fund shall be limited to the amount of Settlement Agreement proceeds credited to and deposited into the TOPS Fund and an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust and credited to the TOPS Fund and as recognized by the Revenue Estimating Conference.

Proposed Constitutional Amendment provides that for Fiscal Year 2012-2013 and each fiscal year thereafter, appropriations from the TOPS Fund shall be limited to the amount of annual Settlement Agreement proceeds credited to and deposited into the TOPS Fund and an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust and credited to the TOPS Fund and as recognized by the Revenue Estimating Conference.

Proposed Constitutional Amendment provides that for Fiscal Year 2011-2012 and each fiscal year thereafter, amounts determined to be available for appropriation from the TOPS Fund from interest earnings shall be those aggregate investment earnings which are in excess of an inflation factor as determined by the Revenue Estimating Conference. Further provides that the amount of realized capital gains on investment which may be included in the aggregate earnings available for appropriation in any year shall not exceed the aggregate of earnings from interest and dividends for that year.

2. [Act 422](#) (2011 Regular Session) amends Article VII, Section 10(D)(2)(b).

Present Constitution provides that the appropriation or allocation of money designated in the official forecast as nonrecurring shall be made only for the following purposes: (a) Retiring or for the defeasance of bonds in advance or in addition to the existing amortization requirements of the state; (b) Providing for payments against the unfunded accrued liability of the public retirement systems which are in addition to any payments required for the annual amortization of the unfunded accrued liability of the public retirement systems; (c) Providing funding for capital outlay projects in the comprehensive state capital budget; (d) Providing for allocation or appropriation for deposit into the Budget Stabilization Fund; (e) Providing for allocation or appropriation for deposit into the Coastal Protection and Restoration Fund; or (f) Providing for new highway construction for which federal matching funds are available, without excluding highway projects otherwise eligible as capital projects under other provisions of this constitution.

Proposed Constitutional Amendment retains present constitution and further provides that for Fiscal Years 2013-2014 and 2014-2015, the legislature shall appropriate at least 5% of any money designated in the official forecast as nonrecurring to the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana for application to the balance of the unfunded accrued liability of each system existing as of June 30, 1988, in proportion to the balance of such unfunded accrued liability of each system. Further provides that any such payments to the public retirement systems shall not be used, directly or indirectly, to fund cost-of-living increases for such systems.

Proposed Constitutional Amendment provides that for Fiscal Year 2015-2016 and every fiscal year thereafter, the legislature shall appropriate at least 10% of any money designated in the official forecast as nonrecurring to the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana for application to the balance of the unfunded accrued liability of each system existing as of June 30, 1988, in proportion to the balance of such unfunded accrued liability of each system. Further provides that any such payments to the public retirement systems shall not be used, directly or indirectly, to fund cost-of-living increases for such systems.

3. [Act 421](#) (2011 Regular Session) adds Article XII, Section 16.

Proposed Constitutional Amendment authorizes the legislature to establish a private custodial fund, the "Patient's Compensation Fund", and provides that deposits into the fund are not public monies, but are self-generated private monies.

Proposed Constitutional Amendment further provides that deposits into the fund shall be held in trust by a board created by the legislature for the use, benefit and protection of medical malpractice claimants and private health care provider members and such funds shall not be defined as state general funds or dedicated funds required for deposit in the state treasury.

Proposed Constitutional Amendment provides that assets of the fund, including surcharges collected from health care provider members and filing fees collected from claimants, reserves to pay future claims, interest earned on investments, securities acquired through investment, earnings on securities and all other monies and assets deposited into the fund shall not be state property, shall not be subject to appropriation by the legislature, and shall not be required for deposit in the state treasury pursuant to Article VII, Section 9(A) of this constitution.

Proposed Constitutional Amendment provides that the fund shall be exempt from participation in and shall not join or contribute financially to or be entitled to the protection of any plan, pool, association, or guaranty fund or insolvency fund.

Proposed Constitutional Amendment provides that the fund or board created pursuant to the proposed amendment to this constitution may not rely on the full faith and credit of this state for the payment of legal obligations and shall not be entitled to an appropriation of state general funds without a specific appropriation approved by the legislature.

4. [Act 424](#) (2011 Regular Session) adds Article VII, Section 10.3(C)(5).

Present Constitution establishes in the state treasury a Budget Stabilization Fund and provides that money shall be deposited in the fund as follows: 1) All money available for appropriation from the state general fund and dedicated funds in excess of the expenditure limit, except funds allocated by this constitution for severance tax and royalties from mineral leases; 2) All mineral revenues received in each fiscal year by the state in excess of the base of \$850,000,000; 3) 25% of any money designated by the Revenue Estimating Conference in the official forecast as nonrecurring; and 4) Any money appropriated to the fund by the legislature, including any appropriation to the fund from money designated in the official forecast as nonrecurring.

Present Constitution authorizes up to 1/3 of the fund to be incorporated into the next year's official forecast with the consent of 2/3 of the elected members of each house of the legislature, if the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year.

Present Constitution authorizes 1/3 of the fund not to exceed the projected deficit to be appropriated with the consent of 2/3 of the elected members of each house of the legislature, if a deficit for the current fiscal year is projected due to a decrease in the official forecast.

Present Constitution provides that the amount included in the official forecast for the next fiscal year plus the amount appropriated in the current fiscal year cannot exceed 1/3 of the fund balance at the beginning of the current fiscal year.

Present Constitution provides that no appropriation or deposit to the fund shall be made if such appropriation or deposit would cause the balance in the fund to exceed 4% of total state revenue receipts for the previous fiscal year.

Proposed Constitutional Amendment provides that if at any time mineral revenues exceed the base of \$850,000,000 and monies in the fund are made available for appropriation or use as provided in this constitution, no deposit of mineral revenues, except those deposits into the fund for such purposes included in the official forecast of the Revenue Estimating Conference, shall be made as provided in this constitution in the fiscal year for which money in the fund is appropriated or for which money in the fund is incorporated into the official forecast nor for the ensuing fiscal year, except by specific appropriation by the legislature. Thereafter, deposits of mineral revenues shall resume as provided in this constitution, except in an annual amount not to exceed 1/3 of the most recent amount made available for appropriation or use for the next 3 years after the ensuing year, until either the balance in the fund equals the maximum as provided in this constitution or an amount equal to the amount made available for appropriation or use is deposited into the fund, whichever is less.

Proposed Constitutional Amendment further provides that amounts which are not deposited into the fund in one fiscal year as provided in this Subparagraph shall be deposited into the fund in the subsequent fiscal year until the amount withdrawn or used is satisfied or until the balance in the fund reaches the maximum as provided in this constitution. The resumption of these deposits shall not cease because of a subsequent withdrawal from the fund.

Proposed Constitutional Amendment provides that in the fiscal year for which money in the fund is appropriated or incorporated into the official forecast or for the ensuing fiscal year, deposits to the fund shall be made as provided in Article VII, Section 10.3(A), except as provided in the proposed amendment to this constitution.

5. [Act 43](#) (2011 First Extraordinary Session) amends Article VII, Section 25(A)(2).

Present Constitution provides that if property located in a municipality with a population of more than 450,000 persons as of the most recent federal decennial census fails to sell for the minimum required bid in the tax sale, the tax collector may offer the property for sale at a subsequent sale with no minimum required bid.

Proposed Constitutional Amendment retains present constitution and changes the reference to a municipality with a population of more than 450,000 persons as of the most recent federal decennial census to the city of New Orleans.