

## DRAFT RESOLUTION: Appropriate Use of Mineral Revenues

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WHEREAS, mineral revenues have fluctuated widely during certain times due to global markets; forces

WHEREAS, mineral revenues are at a low level thereby making it possible from a budgetary perspective to accept changes in the use of this volatile revenue source;

WHEREAS, the Task Force believes that the appropriate use of volatile revenues is an important step both in creating long-term budgetary balance and also in maintaining state expenditures in line with the state's overall sustainable economic vitality;

WHEREAS, the Task Force believes that the creation of a permanent trust fund would enhance the credit ratings of the state;

WHEREAS, the Task Force believes that the creation of a permanent trust fund would enhance the discipline of state spending in line with the sustainable economic structure;

WHEREAS, the Task Force believes this trust fund should be used for one-time spending or be maintained as a trust fund with only earnings to be spent;

WHEREAS, the Task Force believes there are numerous ways in which the permanent trust fund can be used to improve the state's economy such as (1) payments for deferred maintenance; (2) infrastructure improvements; (3) paying off the Unfunded Accrued Liability; (4) providing a method of providing dividends to the taxpayers of the state of Louisiana; or, (5) other alternative in line with the decisions made by the Governor and State Legislature.

Accordingly, the Task Force recommends that a permanent trust fund be established, financed by mineral revenues.

This is an important issue to be considered if a special session is called since mineral revenues are at relatively low levels.