

2020 Regular Session

HOUSE BILL NO. 267

BY REPRESENTATIVE GARY CARTER

FUNDS/FUNDING: (Constitutional Amendment) Allows for the use of the Budget Stabilization Fund for state costs associated with a federally declared disaster

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10.3(C)(3) and (4) of the Constitution of Louisiana
3 and to add Article VII, Section 10.3(A)(5) and (C)(5) of the Constitution of
4 Louisiana, to provide for deposits into and the uses of the Budget Stabilization Fund;
5 to authorize the use of the fund for state costs associated with a disaster declared by
6 the federal government; to provide for deposit into the fund of certain money
7 received by the state from the federal government for the reimbursement of costs
8 associated with such a disaster; to provide for certain limitations and requirements;
9 to provide for submission of the proposed amendment to the electors; and to provide
10 for related matters.

11 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
12 elected to each house concurring, that there shall be submitted to the electors of the state of
13 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
14 amend Article VII, Section 10.3(C)(3) and (4) of the Constitution of Louisiana and to add
15 Article VII, Section 10.3(A)(5) and (C)(5) of the Constitution of Louisiana, to read as
16 follows:

17 §10.3. Budget Stabilization Fund

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

21 * * *

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

5 Do you support an amendment to allow for the use of the Budget
6 Stabilization Fund, also known as the Rainy Day Fund, for state costs
7 associated with a disaster declared by the federal government? (Amends
8 Article VII, Section 10.3(C)(3) and (4); Adds Article VII, Section 10.3(A)(5)
9 and (C)(5))

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)]

HB 267 Engrossed

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Abstract: Authorizes the use of the Budget Stabilization Fund, also known as the Rainy Day Fund, for the state's share of the costs associated with a federally declared disaster.

Present constitution establishes the Budget Stabilization Fund and provides for various deposits into the fund including 25% of any nonrecurring revenues and mineral revenues collected by the state over a base amount of \$750 million. Further authorizes the legislature to increase the base amount every 10 years by a law enacted by 2/3 of the elected members of each house of the legislature. Increases provided for in law in 2004 and 2015 have increased the base amount to \$950 million.

Present constitution provides for the fund to be used only under the following conditions, after consent of 2/3 of the elected members of each house of the legislature:

- (1) 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, the difference, not to exceed 1/3 of the fund shall be incorporated into the next year's official forecast.
- (2) If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to 1/3 of the fund not to exceed the projected deficit may be appropriated.

Proposed constitutional amendment provides for the use of the fund for the state costs associated with a federally declared disaster, not to exceed an amount equal to 1/3 of the fund, after consent of 2/3 of the elected members of each house of the legislature.

Present constitution provides for deposits into the fund including monies in excess of the expenditure limit, mineral revenues, and nonrecurring revenues.

Proposed constitutional amendment retains the deposits into the fund in present constitution and adds the deposit of federal funds received by the state for the reimbursement of disaster costs, not to exceed the amount of the costs appropriated out of the fund.

Present constitution prohibits the amount included in the official forecast for the next fiscal year and the amount appropriated for the current fiscal year from exceeding 1/3 of the fund balance at the beginning of the current fiscal year. Proposed constitutional amendment prohibits the combined amount of the fund incorporated in the official forecast in the next fiscal year, in the current fiscal year, and as a result of a federally declared disaster, from exceeding 1/3 of the balance at the beginning of the current fiscal year.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2020.

(Amends Const. Art. VII, §10.3(C)(3) and (4); Adds Const. Art. VII, §10.3(A)(5) and (C)(5))