

2018 Regular Session

HOUSE BILL NO. 309

BY REPRESENTATIVE GARY CARTER

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

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 10.3(C)(3) and (4) of the Constitution of Louisiana and to add Article VII, Section 10.3(A)(5) and (C)(5) of the Constitution of Louisiana, to provide for deposits into and the uses of the Budget Stabilization Fund; to provide for certain limitations and requirements; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

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

§10.3. Budget Stabilization Fund

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

* * *

(5) Monies received by the state from the federal government for the reimbursement of costs associated with a federally declared disaster, not to exceed

1 the amount of costs appropriated out of the fund pursuant to Subparagraph (C)(3) of
 2 this Section.

3 * * *

4 (C) The money in the fund shall not be available for appropriation or use
 5 except under the following conditions:

6 * * *

7 (3) If there is a disaster in the state that is declared a disaster by the federal
 8 government, up to one-third of the fund, not to exceed the state costs associated with
 9 the disaster, may be appropriated after the consent of two-thirds of the elected
 10 members of each house of the legislature. Between sessions of the legislature, the
 11 appropriation may be made only with written consent of two-thirds of the elected
 12 members of each house of the legislature. Any reimbursement by the federal
 13 government for the costs associated with the same disaster shall be deposited into the
 14 fund, not to exceed the appropriation authorized pursuant to this Subparagraph.

15 ~~(3)~~ (4) In no event shall the amount included in the official forecast for the
 16 next fiscal year, plus the amount appropriated in the current fiscal year, plus the
 17 amount appropriated in the current fiscal year in the event of a disaster, exceed
 18 one-third of the fund balance at the beginning of the current fiscal year.

19 ~~(4)~~ (5) No appropriation or deposit to the fund shall be made if such
 20 appropriation or deposit would cause the balance in the fund to exceed four percent
 21 of total state revenue receipts for the previous fiscal year.

22 Section 2. Be it further resolved that this proposed amendment shall be submitted
 23 to the electors of the state of Louisiana at the statewide election to be held on November 6,
 24 2018.

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

1 Do you support an amendment to allow for the use of the Budget
 2 Stabilization Fund, also known as the Rainy Day Fund, for the state's share
 3 of costs associated with a disaster declared by the federal government?
 4 (Amends Article VII, Section 10.3(C)(3) and (4); Adds Article VII, Section
 5 10.3(A)(5) 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 309 Engrossed

2018 Regular Session

Gary Carter

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 in law. 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 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 the consent of 2/3 of the elected members of the legislature.

Present constitution provides for deposits into the fund including from 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 Nov. 6, 2018.

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