

2019 Regular Session

HOUSE BILL NO. 486

BY REPRESENTATIVE GARY CARTER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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

1 AN ACT

2 To amend and reenact R.S. 39:94(C)(3) and (4) and to enact R.S. 39:73(D) and 94(A)(5) and
3 (C)(5), relative to the Budget Stabilization Fund; to provide for the uses of the fund;
4 to provide for limits on the use of the fund; to provide for the incorporation of the
5 fund in the official forecast; to provide for certain limitations and requirements; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:94(C)(3) and (4) are hereby amended and reenacted and to enact
9 R.S. 39:73(D) and 94(A)(5) and (C)(5) to read as follows:

10 §73. Allotments to govern expenditures; transfers of allotments

11 * * *

12 D. An increase in revenues not to exceed an amount equal to the Budget
13 Stabilization Fund incorporated into the official forecast as a result of state costs
14 incurred from a federally declared disaster shall be available for allotment and
15 expenditure by an agency on approval of an increase in the appropriation by the
16 commissioner of administration and the Joint Legislative Committee on the Budget.
17 The amount available to each state agency shall be equal to the amount specified in
18 the resolution or ballot used for the required consent of the elected members of each
19 house to use the Budget Stabilization Fund, but shall not exceed the amount of costs
20 incurred by the state agency as a result of the disaster.

1 * * *

2 §94. Budget Stabilization Fund

3 A. There is hereby created in the state treasury a special fund to be
4 designated as the Budget Stabilization Fund, hereafter referred to in this Section as
5 the "fund", which shall consist of all money deposited into the fund in accordance
6 with Article VII, Section 10.3 of the Constitution of Louisiana. Money shall be
7 deposited in the fund as follows:

8 * * *

9 (5) Monies received by the state from the federal government for the
10 reimbursement of costs associated with a federally declared disaster, not to exceed
11 the amount of costs appropriated out of the fund for the same disaster pursuant to
12 Paragraph (C)(3) of this Section.

13 * * *

14 C. The money in the fund shall not be available for appropriation except
15 under the following conditions:

16 * * *

17 (3)(a) If there is a disaster in the state that is declared a disaster by the
18 federal government, the Revenue Estimating Conference shall incorporate a specified
19 amount of the fund into the official forecast for the year in which the costs are
20 incurred pursuant to a concurrent resolution adopted by a favorable vote of two-
21 thirds of the elected members of each house.

22 (b) If the legislature is not in session, the two-thirds consent requirement
23 shall be obtained as provided in R.S. 39:87.

24 (c) The resolution or ballot used for the required consent of the elected
25 members of each house shall specify the amount of the fund that will be available for
26 allotment and expenditure by each agency. The amount specified to be received by
27 an agency shall not exceed the costs incurred by the agency related to the declared
28 disaster.

1 (d) The amount of the fund that may be incorporated into the official forecast
2 of the Revenue Estimating Conference for the year in which the state costs of the
3 disaster are incurred shall not exceed either of the following:

4 (i) The state cost incurred with the disaster.

5 (ii) One-third of the fund balance, determined in accordance with R.S. 39:95,
6 at the beginning of the current fiscal year.

7 ~~(3)~~(4) In no event shall the amount included in the official forecast for the
8 ensuing fiscal year pursuant to Paragraph (1) of this Subsection plus the amount
9 included in the official forecast in the current fiscal year pursuant to Paragraph (2)
10 of this Subsection, plus the amount included in the official forecast if there is a
11 declared disaster pursuant to Paragraph (3) of this Subsection, exceed one-third of
12 the fund balance, determined in accordance with R.S. 39:95, at the beginning of the
13 current fiscal year.

14 ~~(4)~~(5)(a) No appropriation or deposit to the fund shall be made if such
15 appropriation or deposit would cause the balance in the fund to exceed four percent
16 of total state revenue receipts for the previous fiscal year. For the purposes of this
17 Section, total state revenue receipts shall not include any monies received by the
18 state from the Federal Emergency Management Agency or other sources providing
19 disaster relief assistance.

20 (b) Notwithstanding any provision of this Section to the contrary, except
21 pursuant to a specific appropriation by the legislature, Paragraph (A)(1) of this
22 Section, or the annual deposit required by Paragraph (A)(3) of this Section, no
23 appropriation or deposit to the fund shall be made in the same fiscal year as an
24 appropriation, use or withdrawal is made from the fund or until such time as the
25 official forecast exceeds the actual collections of state general fund (direct) revenue
26 for Fiscal Year 2008. The provisions of this Subparagraph shall be null, void, and of
27 no effect on July 1, 2017.

28 Section 2. This Act shall take effect and become operative if and when the proposed
29 amendment of Article VII, of the Constitution of Louisiana contained in the Act which

- 1 originated as House Bill No. ____ of this 2019 Regular Session of the Legislature is adopted
2 at a statewide election and becomes effective.
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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 486 Original

2019 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 costs associated with a federally declared disaster.

Present law 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 law 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 law retains present law and adds the deposit of federal funds received by the state for the reimbursement of disaster costs, not to exceed the amount of costs appropriated out of the fund.

Proposed law further provides for the use of the fund in the current fiscal year 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. Further requires the resolution or ballot used for the required consent of the legislature to specify the amount of the fund that will be available for each state agency.

Present law 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 law 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.

Proposed law authorizes an increase in revenues, not to exceed an amount equal to the Budget Stabilization Fund, to be available for allotment and expenditure by a state agency on approval of an increase in the appropriation by the commissioner of administration and the Joint Legislative Committee on the Budget. The amount available to each state agency is restricted to the amount specified in the resolution or ballot used for the required consent of the legislature to use the Budget Stabilization Fund.

Effective if and when the proposed amendment of Article VII, of the Constitution of La. contained in the Act which originated as House Bill No. _____ of this 2019 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:94(C)(3) and (4); Adds R.S. 39:73(D) and 94(A)(5) and (C)(5))