

Regular Session, 2009

SENATE BILL NO. 2

BY SENATOR CHAISSON

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

FUNDS/FUNDING. Provides procedures relative to avoidance of budget deficits. (gov sig)

1 AN ACT
2 To repeal R.S. 39:75(F), relative to the avoidance of budget deficits; to repeal the limitation
3 on the cumulative percentage reduction in constitutionally or statutorily protected or
4 mandated appropriations, allocations, or expenditures; and to provide for an effective
5 date.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:75(F) is hereby repealed in its entirety.

8 Section 2. This Act shall become effective upon signature by the governor or, if not
9 signed by the governor, upon expiration of the time for bills to become law without signature
10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
12 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

Present law establishes a procedure to determine a projected deficit and a method for
adjusting appropriations to eliminate the deficit.

Present law provides that if the governor has reduced general fund allocations or appropriations by an aggregate amount equal to at least 7/10 of 1% of the total of such allocations or appropriations and a deficit still exists, the governor may, with legislative approval, reduce up to 5% of appropriations or allocations from the state general fund and dedicated funds, including any constitutionally protected or mandated funds, in any fiscal year in which a deficit is projected and reductions of 1% in appropriations from the state general fund have already occurred.

Present law authorizes the legislature to reduce the monies appropriated or allocated for mandatory expenditures or allocations by up to 5%, making those funds available for other, nonmandatory expenditures if the official revenue forecast for the next year is at least 1% less than for the current year.

Present law provides that in no event shall the cumulative percentage reduction in the constitutionally or statutorily protected or mandated appropriations, allocations, or expenditures from any fund exceed 5% in any two consecutive fiscal years.

Proposed law repeals the 5% limit on the cumulative percentage reduction in any two consecutive fiscal years.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Repeals R.S. 39:75(F))