
DIGEST

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HB 571 Original

2020 Regular Session

Miguez

Abstract: Changes requirements for submission of the expenditure limit calculation, limits expenditure limit growth to 6%, changes the method of determining the growth factor, and allows for mail ballot to change the expenditure limit.

Present law requires the commissioner of administration to submit the calculation for the expenditure limit for the ensuing fiscal year to the Joint Legislative Committee on the Budget (JLCB) no later than 35 days prior to each regular session.

Proposed law deletes the 35 day requirement in present law and instead requires that the expenditure limit be submitted at the same time the executive budget is submitted to JLCB.

Proposed law requires that the expenditure limit calculation include a comparison of expenditure limit to applicable expenditures and historical comparative information.

Present law provides that the determination of the expenditure limit for the next fiscal year be based on the current limit multiplied by a positive growth factor.

Proposed law limits the growth of the expenditure limit to 6%.

Proposed law provides that, if the growth factor is not positive, the expenditure limit for the next fiscal year shall be the expenditure limit for the current fiscal year.

Present law defines the growth factor as the three-year average growth in La. personal income.

Proposed law retains the average growth in personal income and adds three other indicators to the determination of the growth factor:

- (1) The three-year average change of the gross domestic product of Louisiana as defined and reported by the U.S. Dept. of Commerce, or its successor agency
- (2) The three-year average change of the consumer price index for the South Region (CPI-South) as defined and reported by the U.S. Dept. of Labor, or its successor agency.
- (3) The three-year average change of population of Louisiana as defined and reported by the U.S. Dept. of Commerce, or its successor agency.

Present law requires the determination of the percentage rate of change of personal income in the current year and prior years.

Proposed law deletes present law and requires that the commissioner of administration include the methodology and data sources used to determine the rates of change for each factor. Any changes in the methodology from the prior year calculation shall require review and prior approval of the JLCB.

Present law requires a concurrent resolution adopted by a 2/3 vote of each house of the legislature to change the expenditure limit.

Proposed law allows the legislature to use the mail ballot procedure contained in present law to obtain the 2/3 approval of each house to change the expenditure limit when the legislature is not in session.

Present law requires that all money available for appropriation from the state general fund and dedicated funds in excess of the expenditure limit shall be deposited in the Budget Stabilization Fund.

Proposed law repeals present law.

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 2020 RS of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:33.1(A)-(C) and 52.1; Repeals R.S. 39:94(A)(1))