
DIGEST

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HB 646 Original

2026 Regular Session

Beaullieu

Abstract: Beginning with Fiscal Year 2027-2028, establishes the Government Growth Limit (growth limit) to restrict the growth in the total amount of recurring state general fund monies the legislature may appropriate in any fiscal year.

Present constitution (Art. VII, §10) requires the legislature to provide for the determination of an expenditure limit for each fiscal year for state general fund and dedicated fund appropriations. Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment (Art. VII, §10) further establishes the growth limit for Fiscal Year 2027-2028 and for each fiscal year thereafter. Except in certain limited circumstances provided in proposed constitutional amendment, prohibits spending of recurring revenues above such limit. Requires the Revenue Estimating Conference to adopt a growth limit no later than the first quarter of the calendar year for the ensuing fiscal year. Further requires the legislature to provide by law for a procedure to calculate such limit.

Proposed constitution restricts appropriation of recurring revenue amounts recognized in the official forecast above the growth limit and below the expenditure limit to nonrecurring expenses. For the purposes of proposed constitutional amendment, the term "nonrecurring expense" means an expense that is not of a continuing or recurring character and that in the normal course of administration is not expected to be necessary in approximately the same amounts each year.

Further authorizes the legislature to change a growth limit by a favorable vote of two-thirds of the elected members of each house if each of the growth factors for any of the three fiscal years immediately preceding the year to be changed was two and one-half percent or less. Requires any change to the limit be approved by passage of a specific legislative instrument which clearly states the intent to change the limit.

Proposed constitutional amendment exempts certain severance and royalty payments made pursuant to present constitution (Art. VII, §4(D) and (E)) from the provisions of proposed constitutional amendment.

Present constitution prohibits appropriations from the State General Fund (Direct) means of finance for any fiscal year from exceeding the official forecast in effect at the time the appropriations are made. Proposed constitutional amendment retains present constitution. Further requires appropriations of recurring revenues to comply with the provisions of proposed constitutional amendment regarding the growth limit.

Present constitution (Art. VII, Sec. 11(A)) establishes timing and content requirements for the governor's annual proposed budget. Prohibits the proposed budget from exceeding the official forecast and the expenditure limit for the fiscal year being appropriated. Proposed constitutional amendment retains present constitution. Present constitution requires the proposed budget to comply with the provisions of present constitution regarding use of nonrecurring revenues. Proposed constitutional amendment also requires the proposed budget to comply with the provisions of the growth limit.

Proposed constitutional amendment establishes the initial growth limit (for Fiscal Year 2027-2028) as equal to the appropriations for recurring expenses from the State General Fund (Direct) means of finance for Fiscal Year 2025-2026 plus the product of such amount and three percent. Provides for calculation of the base for the initial growth limit. Requires the commissioner of administration to calculate such limit and submit it to the Joint Legislative Committee on the Budget no later than Jan. 31, 2027.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2026.

(Amends Const. Art. VII, §§10(C) and (E) and 11(A))