

2026 Regular Session

HOUSE BILL NO. 824

BY REPRESENTATIVE BEAULLIEU

APPROPRIATIONS: Limits the amount of state general fund that may be appropriated in a fiscal year

1 AN ACT

2 To amend and reenact R.S. 39:34(C), 38(B), and 54(C) and to enact R.S. 39:33.3, relative
3 to state finances; to provide relative to the calculation of a limit above which use of
4 certain funds may be restricted to certain purposes; to provide relative to exceptions;
5 to provide for definitions; to provide relative to the authority of the governor; to
6 provide relative to the powers and duties of the commissioner of administration; to
7 provide relative to the powers and duties of the Revenue Estimating Conference; to
8 provide for a special effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:34(C), 38(B), and 54(C) are hereby amended and reenacted and
11 R.S. 39:33.3 is hereby enacted to read as follows:

12 §33.3. Determination of Government Growth Limit

13 A. The Revenue Estimating Conference shall establish the Government
14 Growth Limit, hereafter referred to in this Section as the "growth limit", no later than
15 the first quarter of each calendar year for the next fiscal year. Except as provided in
16 Subsection D of this Section, the commissioner of administration shall cause a
17 calculation of the ensuing year's growth limit to be submitted to the Revenue
18 Estimating Conference each year.

19 B. After adoption by the Revenue Estimating Conference, the chairman of
20 the conference shall submit the growth limit for the ensuing fiscal year to the Joint

1 Legislative Committee on the Budget by the deadline for submission of the executive
2 budget to such committee.

3 C.(1) If the growth factor provided in this Paragraph is positive, the growth
4 limit for the ensuing fiscal year shall be calculated as the sum of the base plus the
5 result of the base times the growth factor in accordance with the following
6 provisions:

7 (a) The growth factor shall only be applied to the base once for each annual
8 calculation and shall equal the sum of the following:

9 (i) The average annual percentage rate of change in population for Louisiana,
10 as defined and reported by the United States Department of Commerce, or its
11 successor agency, for the five calendar years prior to the fiscal year for which the
12 limit is calculated.

13 (ii) The average of the following:

14 (aa) The average annual percentage rate of change through December of the
15 chained consumer price index for the United States as defined and reported by the
16 United States Department of Labor, Bureau of Labor Statistics, or its successor
17 agency, for the five calendar years prior to the fiscal year for which the limit is
18 calculated.

19 (bb) The average annual percentage rate of change through December of the
20 chained consumer medical care price index for the United States as defined and
21 reported by the United States Department of Labor, Bureau of Labor Statistics, or its
22 successor agency, for the five calendar years prior to the fiscal year for which the
23 limit is calculated.

24 (b) The figures used for the calculation of the growth factor shall be those
25 actual or estimated figures most recently reported at the time the growth limit is
26 adopted by the Revenue Estimating Conference.

27 (c) The base shall be the total of appropriations for recurring expenses from
28 the State General Fund (Direct) means of finance for the immediately prior fiscal

less certain excepted expenditures (the base), plus the product of the base times the growth factor.

Proposed law establishes calculation of the "growth factor" as the sum of the following:

- (1) The average annual percentage rate of change in population for La., as defined and reported by the U.S. Department of Commerce, or its successor agency, for the five calendar years prior to the fiscal year for which the growth limit is calculated.
- (2) The average of the following:
 - (a) The average annual percentage rate of change through December of the chained-consumer price index for the U.S. as reported by the U.S. Dept. of Labor, Bureau of Labor Statistics, for the five calendar years prior to the fiscal year for which the growth limit is calculated.
 - (b) The average annual percentage rate of change through December of the chained-consumer medical care price index for the U.S. as reported by the U.S. Dept. of Labor, Bureau of Labor Statistics, for the five calendar years prior to the fiscal year for which the growth limit is calculated.

If the growth factor is negative, proposed law provides that the growth limit for the ensuing year shall equal the base.

Proposed law requires figures used in calculation of the growth limit to be those most recently reported at the time the growth limit is adopted by REC.

Proposed law provides that if the legislature changes the growth limit for a fiscal year, then the growth limit for the immediately following fiscal year shall equal the last limit established by the REC.

Proposed law establishes exceptions regarding application of the limit to appropriations from any of the following:

- (1) Funds from the Budget Stabilization Fund or the La. Income Tax Elimination Fund incorporated into the official forecast for the current fiscal year.
- (2) Funds appropriated as a result of certain means of financing substitutions.
- (3) Funds appropriated or allocated that are excluded from the analysis of appropriation totals in relation to the expenditure limit.

Present law (R.S. 39:34) prohibits the executive budget recommendations for appropriations from exceeding the expenditure limit for the ensuing fiscal year. Proposed law retains present law and further prohibits executive budget recommendations for appropriations of recurring revenue from exceeding the applicable growth limit.

Present law (R.S. 39:38) requires any proposal by the governor to exceed the expenditure limit to be itemized by program and to constitute a submission by the governor separate and apart from the executive budget. Proposed law provides that any proposal by the governor to exceed the expenditure limit, the growth limit, or both shall constitute a separate submission from the executive budget.

Present law (R.S. 39:54) prohibits appropriations from the state general fund and dedicated funds for any fiscal year from exceeding the expenditure limit. Proposed law retains present law and further requires appropriations to be in conformity with proposed law relative to the growth limit.

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. 646 of the 2026 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:34(C), 38(B), and 54(C); Adds R.S. 39:33.3)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Establish the growth limit for the ensuing fiscal year at a certain level if the legislature changes the growth limit for the current fiscal year.
2. Establish exception to the growth limit for funds incorporated into the official forecast from the La. Income Tax Elimination Fund.
3. Make technical and conforming changes.