

First Extraordinary Session, 2005

HOUSE BILL NO. 151

BY REPRESENTATIVES ALARIO AND SALTER

FUNDS/FUNDING: Provides for balance and use of monies in the Budget Stabilization Fund (Item #19)

1 AN ACT

2 To enact R.S. 39:94(C)(4) and (D), relative to the Budget Stabilization Fund; to provide for
3 appropriations from the fund following certain declarations of disaster or emergency;
4 to provide for deposits into the fund; to provide with respect to limitation of the fund
5 balance; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:94(C)(4) and (D) are hereby enacted to read as follows:

8 SUBPART B. BUDGET STABILIZATION FUND

9 §94. Budget Stabilization Fund

10 * * *

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

13 * * *

14 (4) Notwithstanding any other provision of law to the contrary, if a deficit
15 for the current fiscal year is projected due to a decrease in the official forecast
16 following the declaration by the governor of a state disaster or emergency, an amount
17 not to exceed seventy-five percent of the fund balance shall be available for
18 appropriation pursuant to this Paragraph. The amount available for appropriation
19 shall not exceed the amount of the projected deficit and shall be incorporated into the
20 official forecast of revenues available for appropriation upon the consent of two-

1 thirds of the elected members of both houses of the legislature, pursuant to adoption
2 of a concurrent resolution or as provided under R.S. 39:87.

3 D. The state treasurer shall timely calculate all amounts required to be
4 deposited into the fund so that deposits into the fund may be made on a monthly
5 basis. No appropriation or deposit to the fund shall be made if such appropriation
6 or deposit would cause the balance in the fund for any fiscal year to exceed seven
7 percent of state general fund and dedicated funds contained in the official forecast
8 for that fiscal year which was in effect at the beginning of the fiscal year.

9 Section 2. This Act shall take effect and become operative if and when the proposed
10 amendment of Article VII, Section 10.3(C) of the Constitution of Louisiana contained in the
11 Act which originated as House Bill No. ____ of this 2006 Regular Session of the Legislature
12 is adopted at the statewide election to be held on February 4, 2006, and becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Alario

HB No. 151

Abstract: Authorizes appropriation of up to 75% of the Budget Stabilization Fund to address a deficit following the declaration of a state disaster or emergency and changes the cap on the fund balance.

Present law provides for the establishment of the Budget Stabilization Fund, deposits into the fund, and appropriations from the fund under certain circumstances related to revenue shortfalls.

Present law limits appropriations from the fund to one-third of the fund balance, which may be appropriated after two-thirds vote of both houses of the legislature.

Proposed law retains present law and provides that if a deficit for the current fiscal year is projected due to a decrease in the official forecast following the declaration by the governor of a state disaster or emergency, up to 75% of the fund balance may be appropriated. The amount available for appropriation shall not exceed the amount of the projected deficit and shall be incorporated into the official forecast of revenues available for appropriation upon the consent of two-thirds of the elected members of both houses of the legislature, pursuant to adoption of a concurrent resolution or as provided under R.S. 39:87.

Proposed law limits the fund balance in any fiscal year to 7% of state general fund and dedicated funds as provided in the official forecast which was in effect at the beginning of that fiscal year. Requires that the state treasurer timely calculate all amounts required to be deposited into the fund so that deposits may be made on a monthly basis.

Effective and operative if and when the proposed amendment to the constitution contained in HB ____ of the 2005 1st E.S. is adopted at the statewide elections to be held on February 4, 2006.

(Adds R.S. 39:94(C)(4) and (D))