

First Extraordinary Session, 2005

HOUSE BILL NO. 152

BY REPRESENTATIVES ALARIO AND SALTER

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

A JOINT RESOLUTION

Proposing to amend Article VII, Section 10.3(C)(4) and to add Article VII, Section 10.3(C)(5), relative to the Budget Stabilization Fund; to provide for the balance of monies in the fund; to provide for appropriations from the fund; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 10.3(C)(4) and to add Article VII, Section 10.3(C)(5) of the Constitution of Louisiana, to read as follows:

§10.3. Budget Stabilization Fund

Section 10.3.

* * *

(C) The money in the fund shall not be available for appropriation or use except under the following conditions:

* * *

(4) Notwithstanding any other provision of this constitution to the contrary,
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,

1 an amount not to exceed seventy-five percent of the fund shall be available for
2 appropriation pursuant to this Subparagraph. The amount available for appropriation
3 shall not exceed the amount of the projected deficit and shall be incorporated into the
4 official forecast upon the consent of two-thirds of the elected members of each house
5 of the legislature, such consent being provided in writing, in a manner established
6 by law, if the legislature is not in session.

7 (5) No appropriation or deposit to the fund shall be made if such
8 appropriation or deposit would cause the balance in the fund for any fiscal year to
9 exceed ~~four~~ seven percent of ~~total state revenue receipts for the previous~~ the state
10 general fund and dedicated funds contained in the official forecast for that fiscal year
11 which was in effect at the beginning of the fiscal year.

12 Section 2. Be it further resolved that this proposed amendment shall be submitted
13 to the electors of the state of Louisiana at the statewide election to be held on February 4,
14 2006.

15 Section 3. Be it further resolved that on the official ballot to be used at said election
16 there shall be printed a proposition, upon which the electors of the state shall be permitted
17 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
18 read as follows:

19 Notwithstanding any other provision of this constitution to the contrary,
20 authorizes appropriation of up to seventy-five percent of monies in the
21 Budget Stabilization Fund if a deficit for the current fiscal year is projected
22 due to a decrease in the official forecast following the declaration by the
23 governor of a state disaster or emergency. The amount available for
24 appropriation shall not exceed the amount of the projected deficit and shall
25 be incorporated into the official forecast upon the consent of two-thirds of the
26 elected members of each house of the legislature, such consent being
27 provided in writing, in a manner established by law, if the legislature is not
28 in session. Changes the limitation on the fund balance for any fiscal year
29 from four percent of total state revenue receipts to seven percent of the total

1 of state general fund and dedicated funds as provided in the official forecast
2 for that fiscal year. (Amends Article VII, Section 10.3(C)(4); Adds Article
3 VII, Section 10.3(C)(5))

DIGEST

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

Alario

HB No. 152

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 constitution provides for the establishment of a Budget Stabilization Fund, the deposits into the fund, and appropriations from the fund in certain circumstances related to revenue shortfalls.

Present constitution 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 constitutional amendment retains present constitution and provides that notwithstanding any other provision of present constitution to the contrary, authorizes appropriation of up to 75% of monies in the Budget Stabilization Fund 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. The amount available for appropriation shall not exceed the amount of the projected deficit and shall be incorporated into the official forecast upon the consent of two-thirds of the elected members of each house of the legislature, such consent being provided in writing, in a manner established by law, if the legislature is not in session.

Present constitution limits the balance in the fund for any fiscal year to 4% of total state revenue receipts.

Proposed constitutional amendment changes present constitution by changing the limitation on the fund balance in any particular fiscal year to 7% of the state general fund and dedicated funds contained in the official forecast for that fiscal year which was in effect at the beginning of the fiscal year.

Provides for submission of the proposed amendment to the voters at the statewide election to be held February 4, 2006.

(Amends Const. Art. VII, §10.3(C)(4); Adds Const. Art. VII, §10.3(C)(5))