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## DIGEST

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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))