

Regular Session, 2013

HOUSE BILL NO. 535

BY REPRESENTATIVE SCHRODER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING: (Constitutional Amendment) Limits appropriations from the state general fund and creates the Working Cash Stabilization Fund

A JOINT RESOLUTION

Proposing to add Article VII, Sections 10(D)(4) and 10.13 of the Constitution of Louisiana, to limit appropriations from the state general fund; to establish the Working Cash Stabilization Fund; to provide for deposit of certain monies into the fund; to provide for the uses of monies in 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 add Article VII, Sections 10(D)(4) and 10.13 of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

* * *

(D) Appropriations.

* * *

(4) Beginning with the 2015-2016 Fiscal Year, total appropriations from the state general fund for any fiscal year shall not exceed ninety-eight percent of the estimate of state general fund revenues available for appropriation contained in the most recently adopted official forecast of the Revenue Estimating Conference.

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1 §10.13. Working Cash Stabilization Fund

2 Section 10.13.(A) There is hereby established in the state treasury the
3 Working Cash Stabilization Fund hereinafter referred to as the fund. Beginning with
4 the 2015-2016 Fiscal Year, the treasurer shall annually deposit in and credit to the
5 fund an amount equal to two percent of the estimate of state general fund revenues
6 available for appropriation contained in the most recently adopted forecast of the
7 Revenue Estimating Conference. Such deposits shall be made from monies in the
8 state general fund. Monies in the fund shall be invested as provided by law.
9 Earnings realized in each fiscal year on the investment of monies in the fund shall
10 be deposited to the credit of the fund. All unexpended and unencumbered monies
11 in the fund at the end of the fiscal year shall remain in the fund. Monies on deposit
12 in the fund shall be available for interfund borrowing. Except as provided in
13 Paragraph (B) of this Section, monies in the fund shall not be available for
14 appropriation or expenditure.

15 (B)(1) If the official forecast for a fiscal year is less than the official forecast
16 for the preceding fiscal year, an amount equal to the difference, not to exceed one-
17 half of the fund, may be incorporated into the official forecast and made available
18 for appropriation but only after the consent of two-thirds of the elected members of
19 each house of the legislature.

20 (2) If a deficit for the current fiscal year is projected due to a decrease in the
21 official forecast, an amount equal to one-half of the fund, not to exceed the projected
22 deficit, may be transferred to the state general fund to eliminate the deficit but only
23 after the consent of two-thirds of the elected members of each house of the
24 legislature. If the legislature is not in session, the two-thirds requirement may be
25 satisfied upon obtaining the written consent of two-thirds of the elected members of
26 each house of the legislature.

27 (3) Monies in the fund in excess of seven and one-half percent of state
28 general fund appropriations for any fiscal year may be appropriated or expended but
29 only for the following purposes: to provide for the retirement in advance of maturity

1 through redemption, purchase, or repayment of state debt and for nonrecurring
2 expenses.

3 Section 2. Be it further resolved that this proposed amendment shall be submitted
4 to the electors of the state of Louisiana at the statewide election to be held on November 4,
5 2014.

6 Section 3. Be it further resolved that on the official ballot to be used at the election,
7 there shall be printed a proposition, upon which the electors of the state shall be permitted
8 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
9 follows:

10 Do you support an amendment to establish the Working Cash Stabilization
11 Fund; to require two percent of the official forecast be deposited into the
12 fund; to permit the use of the fund for cash flow purposes; to provide that up
13 to one-half the fund of the fund balance may be used to eliminate projected
14 deficits; and to provide that fund balances in excess of a certain level be used
15 solely to retire state debt or for nonrecurring expenses? (Adds Article VII,
16 Sections 10(D)(4) and 10.13)

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Schroder

HB No. 535

Abstract: Establishes the Working Cash Stabilization Fund, comprised of 2% of the official forecast. With consent of 2/3 of each house of the legislature, up to half of the fund balance may be applied toward a projected deficit. Fund balances in excess of 7 1/2% of state expenditures may be used for certain purposes.

Proposed constitutional amendment provides that, beginning with FY 2015-2016, total appropriations from the state general fund (SGF) shall not exceed 98% of estimated SGF revenues contained in the most recently adopted official forecast of the Revenue Estimating Conference (REC).

Proposed constitutional amendment establishes the Working Cash Stabilization Fund (the fund). Beginning with FY 2015-16, the treasurer shall annually deposit in and credit to the fund 2% of the estimate of SGF revenues available for appropriation contained in the most recently adopted forecast of the REC. Such deposits shall be made from SGF monies. Monies in the fund shall be invested as provided by law. All investment earnings and

unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund. Monies on deposit in the fund shall be available for interfund borrowing.

Proposed constitutional amendment limits the uses of the fund to the following:

- (1) With consent of 2/3 of the elected members of each house, if the official forecast for a fiscal year is less than the official forecast for the preceding fiscal year, up to half of the fund may be used to provide the difference between the official forecasts.
- (2) With consent of 2/3 of the elected members of each house, if there is a current year decrease in the official forecast, up to half of the fund may be transferred to the SGF to eliminate the projected deficit. If the legislature is not in session, the 2/3 consent may be obtained by written consent.
- (3) Monies in the fund in excess of 7 1/2 percent of SGF appropriations for any fiscal year may be appropriated or expended but only for the following purposes: to provide for the retirement of state debt and for nonrecurring expenses.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 4, 2014.

(Adds Const. Art VII, §§10(D)(4) and 10.13)