HLS 17RS-247 ORIGINAL

2017 Regular Session

HOUSE BILL NO. 255

1

BY REPRESENTATIVE GARY CARTER

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

FUNDS/FUNDING: (Constitutional Amendment) Allows for the use of the Budget Stabilization Fund for the state costs associated with a declared disaster

A JOINT RESOLUTION

2	Proposing to amend Article VII, Section 10.3(C)(3) and (4) of the Constitution of Louisiana
3	and to add Article VII, Section 10.3(C)(5) of the Constitution of Louisiana, to
4	provide for the uses of the Budget Stabilization Fund; to provide for certain
5	limitations and requirements; to provide for submission of the proposed amendment
6	to the electors; and to provide for related matters.
7	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
8	elected to each house concurring, that there shall be submitted to the electors of the state of
9	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
0	amend Article VII, Section 10.3(C)(3) and (4) of the Constitution of Louisiana and to add
1	Article VII, Section 10.3(C)(5) of the Constitution of Louisiana, to read as follows:
12	§10.3. Budget Stabilization Fund
13	Section 10.3.(A)
14	* * *
15	(C) The money in the fund shall not be available for appropriation or use
16	except under the following conditions:
17	* * *
18	(3) If a there is a disaster in the state that is declared a disaster by the federal
19	government, up to one-third of the fund, not to exceed the state costs associated with
20	such disaster, may be appropriated after the consent of two-thirds of the elected

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	members of each house of the legislature. Between sessions of the legislature, the
2	appropriation may be made only with written consent of two-thirds of the elected
3	members of each house of the legislature.
4	(3) (4) In no event shall the amount included in the official forecast for the
5	next fiscal year, plus the amount appropriated in the current fiscal year, plus the
6	amount appropriated in the event of a disaster, exceed one-third of the fund balance
7	at the beginning of the current fiscal year.
8	(4) (5) No appropriation or deposit to the fund shall be made if such
9	appropriation or deposit would cause the balance in the fund to exceed four percent
10	of total state revenue receipts for the previous fiscal year.
11	Section 2. Be it further resolved that this proposed amendment shall be submitted
12	to the electors of the state of Louisiana at the statewide election to be held on October 14,
13	2017.
14	Section 3. Be it further resolved that on the official ballot to be used at the election,
15	there shall be printed a proposition, upon which the electors of the state shall be permitted
16	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
17	follows:
18	Do you support an amendment to allow for the use of the Budget
19	Stabilization Fund, also known as the Rainy Day Fund, for the state's share
20	of costs associated with a disaster declared by the federal government?
21	(Amends Article VII, Section 10.3(C)(3) and (4); Adds Article VII, Section
22	10.3(C)(5))

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)]

HB 255 Original

2017 Regular Session

Gary Carter

Abstract: Authorizes the use of the Budget Stabilization Fund, also know as the Rainy Day Fund, for the state's share of the costs associated with a federally declared disaster.

<u>Present constitution</u> establishes the Budget Stabilization Fund and provides for various deposits into the fund including 25% of any nonrecurring revenues and mineral revenues

Page 2 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

collected by the state over a base amount of \$750 million. Further authorizes the legislature to increase the base amount every 10 years in law. Increases provided for in law in 2004 and 2015 have increased the base amount to \$950 million.

<u>Present constitution</u> provides for the fund to be used only under the following conditions, after consent of 2/3 of the legislature:

If the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year, the difference, not to exceed 1/3 of the fund shall be incorporated into the next year's official forecast.

If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to one-third of the fund not to exceed the projected deficit may be appropriated.

<u>Proposed constitution</u> further provides for the use of the fund for the state costs associated with a federally declared disaster, not to exceed an amount equal to 1/3 of the fund, after the consent of 2/3 of the elected members of the legislature.

<u>Present constitution</u> prohibits the amount included in the official forecast for the next fiscal year and the amount appropriated for the current fiscal year from exceeding 1/3 of the fund balance at the beginning of the current fiscal year. <u>Proposed constitution</u> prohibits the combined amount of the fund incorporated in the official forecast in the next fiscal year, in the current fiscal year, and as a result of a federally declared disaster, from exceeding 1/3 of the balance at the beginning of the current fiscal year.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2017.

(Amends Const. Art. VII, §10.3(C)(3) and (4); Adds Const. Art. VII, §10.3(C)(5))