

Regular Session, 2011

SENATE BILL NO. 131

BY SENATOR LONG

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

FISCAL CONTROLS. Provides for the governor's interim budget balancing authority, authorizing him to reduce certain state general fund or statutorily dedicated fund appropriations or allocations by an additonal five percent. (7/1/11) (2/3-CA7s10(F)(1))

1 AN ACT

2 To amend and reenact R.S. 39:75(C)(2)(b), relative to avoidance of budget deficits; to
3 provide for an increase in the authority of the governor to reduce certain
4 appropriations or allocations; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:75(C)(2)(b) is hereby amended and reenacted to read as follows:

8 §75. Avoidance of budget deficits

9 * * *

10 C. Upon receiving notification that a projected deficit exists, the governor
11 shall have interim budget balancing powers to adjust the budget in accordance with
12 the following provisions:

13 * * *

14 (2)

15 * * *

16 (b)(i) In accordance with Article VII, Section 10(F) of the Constitution of
17 Louisiana, the governor may direct the commissioner of administration to reduce any

appropriation or allocation for the executive branch of state government from the state general fund and dedicated funds, including any which are constitutionally protected or mandated, by an amount not to exceed five percent in the aggregate of the total amount appropriated or allocated from that fund for that fiscal year.

(ii) In addition to the authority provided for in Item (i) of this Subparagraph, the governor may direct the commissioner of administration to reduce any appropriation or allocation for the executive branch of state government from the state general fund and dedicated funds, excluding any which are constitutionally protected or mandated or described in R.S. 49:308.5(C), by an additional amount not to exceed five percent in the aggregate of the total amount appropriated or allocated from that fund for that fiscal year.

* * *

Section 2. This Act shall become effective on July 1, 2011; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2011, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

Long (SB 131)

Present law provides, relative to the notification that a budget deficit exists in the current fiscal year, that the governor shall have interim budget balancing powers to eliminate the deficit, among others:

1. Reduce executive branch budget unit appropriations by three percent of the total appropriation for the fiscal year.
2. In the event the governor has reduced budgets by seven-tenths of one percent of the total appropriation and the deficit still exists, the governor may make further budget adjustments, as follows:
 - a. The governor may direct reductions of any appropriation or allocation from the state general fund or dedicated funds, including those constitutionally protected or mandated, by an amount not to exceed five percent of the total amount appropriated or allocated for that fiscal year.

Proposed law retains present law but authorizes additional authority for the governor to reduce certain non-constitutionally protected appropriations or allocations from the state general fund or dedicated by another five percent.

Effective July 1, 2011.

(Amends R.S. 39:75(C)(2)(b))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill.

1. Adds language excluding special funds not required to be deposited in the treasury pursuant to Art. VII, Section 9(A) of the constitution and certain other special funds, including court or regulatory agency judgments; contracts related to the issuance of bonds, notes, or other indebtedness; and special retirement funds; among others.