

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 435** HLS 13RS 1101

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
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| Date: April 18, 2013 | 12:50 PM | Author: SEABAUGH |
| Dept./Agy.: | | Analyst: Travis McIlwain |
| Subject: State Budget Development | | |

BUDGETARY CONTROLS OR SEE FISC NOTE GF RV Page 1 of 1
(Constitutional Amendment) Provides relative to the budget process

Proposed constitutional amendment provides that the Revenue Estimating Conference (REC) may designate other money as nonrecurring, but shall designate as nonrecurring, money available for appropriation from any source that has not been available for the preceding 2 fiscal years or which will not be available for the succeeding 2 fiscal years. Proposed constitutional amendment provides that the amount appropriated out of any fund shall not include appropriations from any fund in excess of the official forecast of money available for appropriation from that fund. Proposed constitutional amendment provides that no contingent appropriation shall be made.

| EXPENDITURES | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | | | | | | |

| REVENUES | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed bill provides that the constitutional amendment be submitted to voters at the November 4, 2014 election. The November 4, 2014 election is a statewide election, when all precincts in the state are scheduled to be opened. As a regular practice, the Secretary of State budgets for up to 10 constitutional amendments for the fall statewide elections.

This bill further provides that the general appropriation bill and other appropriation bills shall not appropriate any funds that are not part of the official revenue forecast and that no contingent appropriation shall be made. Thus, there will likely be fewer resources available for operating expenditures unless such resources have been considered by REC and designated as recurring resources.

REVENUE EXPLANATION

Proposed bill provides that the REC designate as nonrecurring money available for appropriation from any source that has not been available for the preceding 2 fiscal years or which will not be available for the succeeding 2 fiscal years. To the extent this law was currently in place, some significant examples of funding resources supporting the FY 14 budget that could be designated as nonrecurring include: \$47 million - various property sales, \$100 million - Morial Convention Center.

Note: The same item could be deemed nonrecurring and recurring in subsequent periods. For example, if Morial Convention Center resources are utilized again in FY 15, based upon the proposed bill these resources would likely be deemed as recurring by the REC because it would be 3 fiscal years in a row the state budget has utilized Convention Center resources (FY 13 - \$20 million, FY 14 - \$100 million proposed).

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

John D. Carpenter
Legislative Fiscal Officer