



1 limit for each fiscal year to be established during the first quarter of the calendar year  
2 for the next fiscal year. However, the expenditure limit for the 1991-1992 Fiscal  
3 Year shall be the actual appropriations from the state general fund and dedicated  
4 funds for that year except funds allocated by Article VII, Section 4, Paragraphs (D)  
5 and (E). For subsequent fiscal years, the limit shall not exceed the expenditure limit  
6 for the current fiscal year plus an amount equal to that limit times a positive growth  
7 factor. The growth factor is the average annual percentage rate of change of personal  
8 income for Louisiana as defined and reported by the United States Department of  
9 Commerce for the three calendar years prior to the fiscal year for which the limit is  
10 calculated.

11 ~~(2)~~ (b) The expenditure limit may be changed in any fiscal year by a  
12 favorable vote of two-thirds of the elected members of each house. Any such change  
13 in the expenditure limit shall be approved by passage of a specific legislative  
14 instrument which clearly states the intent to change the limit.

15 ~~(3)~~ (c) Beginning with the 1995-1996 Fiscal Year, the expenditure limit shall  
16 be determined in accordance with the provisions of Paragraph (J) of this Section.  
17 The redetermination of the expenditure limit for each fiscal year from the 1991-1992  
18 Fiscal Year through the 1994-1995 Fiscal Year shall only be used in computing the  
19 expenditure limit for the 1995-1996 Fiscal Year and shall not affect the expenditure  
20 limit already computed in accordance with this Paragraph for such fiscal years.

21 ~~(4) The provisions of this Paragraph shall not apply to or affect funds~~  
22 ~~allocated by Article VII, Section 4, Paragraphs (D) and (E):~~

23 (2) Government Growth Limit. (a) Beginning with the 2027-2028 Fiscal  
24 Year, there shall be a limit for each fiscal year above which appropriation of  
25 recurring revenue from the State General Fund (Direct) means of finance shall only  
26 be made for the purposes provided in this Subparagraph. Such limit shall be known  
27 as the Government Growth Limit and shall be established by the Revenue Estimating  
28 Conference no later than the first quarter of the calendar year for the next fiscal year.

1        The legislature shall establish procedures by law for the calculation and application  
2        of such limit.

3                (b) Recurring revenue amounts recognized in the official forecast for the  
4        State General Fund (Direct) means of finance above the Government Growth Limit  
5        and below the expenditure limit may be appropriated only for nonrecurring expenses.  
6        For the purposes of this Item, the term "nonrecurring expense" means an expense  
7        that is not of a continuing or recurring character and that in the normal course of  
8        administration is not expected to be necessary in approximately the same amounts  
9        each year.

10               (c) The legislature may provide by law for exceptions to Subsubparagraph  
11        (b) of this Subparagraph.

12               (d) A Government Growth Limit may be changed by a favorable vote of  
13        two-thirds of the elected members of each house of the legislature if each of the  
14        growth factors for any of the three fiscal years immediately preceding the year to be  
15        changed was two and one-half percent or less. Any change in the Government  
16        Growth Limit authorized by this Subsubparagraph shall be approved by passage of  
17        a specific legislative instrument which clearly states the intent to change the limit.

18               (3) The provisions of this Paragraph shall not apply to or affect funds  
19        allocated by Article VII, Section 4, Paragraphs (D) and (E).

20                                \*        \*        \*

21               (E) ~~Balanced Budget.~~ Appropriations by the legislature from the state  
22        general fund and dedicated funds for any fiscal year except funds allocated by  
23        Article VII, Section 4, Paragraphs (D) and (E) shall not exceed the official forecast  
24        in effect at the time the appropriations are made. Appropriations of recurring  
25        revenue from the state general fund and dedicated funds, shall comply with the  
26        provisions of Subparagraph (C)(2) of this Section.

27                                \*        \*        \*

1 §11. Budgets

2 Section 11.(A) Budget Estimate. The governor shall submit to the  
3 legislature, at the time and in the form fixed by law, a budget estimate for the next  
4 fiscal year setting forth all proposed state expenditures. This budget shall include  
5 a recommendation for appropriations from the state general fund and from dedicated  
6 funds, except funds allocated by Article VII, Section 4, Paragraphs (D) and (E),  
7 which shall not exceed the official forecast of the Revenue Estimating Conference  
8 and the expenditure limit for the fiscal year. The recommendation shall also comply  
9 with the provisions of Article VII, ~~Section 10(D)~~ Sections 10(C)(2) and (D). This  
10 budget shall include a recommendation for funding of state salary supplements for  
11 full-time law enforcement and fire protection officers of the state, as provided in  
12 Article VII, Section 10(D)(3) of this constitution.

13 \* \* \*

14 Section 2.(A) Notwithstanding any provision of this Act to the contrary, the  
15 Government Growth Limit for the 2027-2028 Fiscal Year shall equal the base, plus the  
16 product of such amount and three percent. For the purposes of this Section, "the base" shall  
17 mean the total of appropriations for recurring expenses from the State General Fund (Direct)  
18 means of finance for the last full fiscal year immediately prior to calculation of the limit;  
19 however, the base shall not include appropriations or allocations from any of the following:

20 (1) Any funds from the Budget Stabilization Fund incorporated into the official  
21 forecast for the base year.

22 (2) Any funds appropriated as a result of a means of finance substitution resulting  
23 in an increase in the State General Fund (Direct) means of finance to compensate for a  
24 decrease in any of the following: federal funding, funds transferred from another state entity,  
25 self-generated collections, or statutorily or constitutionally dedicated funds.

26 (3) Any funds appropriated or allocated that are excluded from the analysis of  
27 appropriation totals in relation to the expenditure limit.

1 (B) The commissioner of administration shall cause the limit for Fiscal Year 2027-  
2 2028 to be calculated pursuant to the provisions of this Section and shall submit such limit  
3 to the Joint Legislative Committee on the Budget no later than January 31, 2027.

4 Section 3. Be it further resolved that this proposed amendment shall be submitted  
5 to the electors of the state of Louisiana at the statewide election to be held on November 3,  
6 2026.

7 Section 4. Be it further resolved that on the official ballot to be used at the election,  
8 there shall be printed a proposition, upon which the electors of the state shall be permitted  
9 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
10 follows:

11 Do you support an amendment to limit the amount of state general fund  
12 monies the legislature may appropriate for recurring expenses in a fiscal  
13 year; to require the legislature to establish a procedure for the calculation of  
14 such a limit; to provide restrictions on use of monies available for  
15 appropriation in excess of such limit and to authorize exceptions in certain  
16 circumstances; and to require the governor's proposed budget each year to  
17 conform to such limit? (Amends Article VII, Sections 10(C) and (E) and  
18 11(A))

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#### 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)]

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HB 295 Engrossed

2025 Regular Session

Tarver

**Abstract:** Beginning with Fiscal Year 2027-2028, establishes the Government Growth Limit (growth limit) to restrict the growth in the total amount of recurring state general fund and dedicated fund monies the legislature may appropriate in any fiscal year.

Present constitution (Art. VII, §10) requires the legislature to provide for the determination of an expenditure limit for each fiscal year for state general fund and dedicated fund appropriations. Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment (Art. VII, §10) further establishes the growth limit for Fiscal Year 2027-2028 and for each fiscal year thereafter. Except in certain limited circumstances provided in proposed constitutional amendment, prohibits spending of recurring revenues above such limit. Requires the Revenue Estimating Conference to adopt

a growth limit no later than the first quarter of the calendar year for the ensuing fiscal year. Further requires the legislature to provide by law for a procedure to calculate such limit.

Proposed constitutional amendment requires that if the growth limit calculated for any fiscal year exceeds the expenditure limit calculated for the same fiscal year, the growth limit shall be equal to the expenditure limit for that fiscal year. Additionally provides that if the legislature lowers the expenditure limit in a fiscal year and the resulting limit is lower than the growth limit for that fiscal year, the growth limit for that fiscal year is automatically lowered to equal the expenditure limit set by the legislature.

Proposed constitution restricts appropriation of recurring revenue amounts recognized in the official forecast above the growth limit and below the expenditure limit to nonrecurring expenses. For the purposes of proposed constitutional amendment, the term "nonrecurring expense" means an expense that is not of a continuing or recurring character and that in the normal course of administration is not expected to be necessary in approximately the same amounts each year.

Proposed constitutional amendment provides that the growth limit does not apply to the appropriation of funds from the Budget Stabilization Fund incorporated into the official forecast for the current fiscal year.

Further authorizes the legislature to change a growth limit by a favorable vote of two-thirds of the elected members of each house if each of the growth factors for any of the three fiscal years immediately preceding the year to be changed was two and one-half percent or less. Requires any change to the limit be approved by passage of a specific legislative instrument which clearly states the intent to change the limit.

Proposed constitutional amendment exempts certain severance and royalty payments made pursuant to present constitution (Art. VII, §4(D) and (E)) from the provisions of proposed constitutional amendment.

Present constitution prohibits appropriations from the state general fund and dedicated funds for any fiscal year from exceeding the official forecast in effect at the time the appropriations are made. Proposed constitutional amendment retains present constitution. Further requires appropriations of recurring revenues to comply with the provisions of proposed constitutional amendment regarding the growth limit.

Present constitution (Art. VII, Sec. 11(A)) establishes timing and content requirements for the governor's annual proposed budget. Prohibits the proposed budget from exceeding the official forecast and the expenditure limit for the fiscal year being appropriated. Proposed constitutional amendment retains present constitution. Present constitution requires the proposed budget to comply with the provisions of present constitution regarding use of nonrecurring revenues. Proposed constitutional amendment also requires the proposed budget to comply with the provisions of the growth limit.

Proposed constitutional amendment establishes the initial growth limit (for Fiscal Year 2027-2028) as equal to the appropriations for recurring expenses from the state general fund and dedicated funds for Fiscal Year 2026-2027 plus the product of such amount and three percent. Requires the commissioner of administration to calculate such limit and submit it to the Joint Legislative Committee on the Budget no later than Jan. 31, 2027.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2026.

(Amends Const. Art. VII, §§10(C) and (E) and 11(A))