

SENATE BILL NO. 98

BY SENATORS DONAHUE AND THOMPSON

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

AN ACT

To amend and reenact the introductory paragraph of R.S. 39:2(15.1), 24.1(A), (C), and (E)(3), 34(A), 51(A)(2), and 56(A) and to enact R.S. 39:24.1(E)(4) and (5) and 36(A)(7), relative to budgetary procedures; to define expenditures and incentive expenditure programs; to provide for inclusion in the executive budget, the general appropriation bill, other appropriation bills, and the state budget of incentive expenditures programs; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The introductory paragraph of R.S. 39:2(15.1), 24.1(A), (C), and (E)(3), 34(A), 51(A)(2), and 56(A) are hereby amended and reenacted and R.S. 39:24.1(E)(4) and (5) and 36(A)(7) are hereby enacted to read as follows:

§2. Definitions

As used in this Chapter, except where the context clearly requires otherwise, the words and expressions defined in this Section shall be held to have the meanings here given to them.

\* \* \*

(15.1) "Incentive expenditures" ~~means~~ **or "incentive expenditure programs" mean** the reductions of and payments from current tax collections because of **payments to businesses and individuals for the refund, rebate, or transferable credits granted through either an incentive contract between the state or an agency of the state and a specific recipient, or certification or approval of a specific recipient by the state or an agency of the state, including** the following incentive benefit statutes:

\* \* \*

§24.1. Incentive expenditure **programs** forecast



1 expenditure program for the current fiscal year. The participants of the conference  
 2 shall work in conjunction with the respective agency to finalize all estimates for  
 3 presentation to the conference.

4 (4) In developing the estimate of incentive expenditures for each of the  
 5 tax benefit programs listed in R.S. 39:2(15.1), each agency of the state, including  
 6 the Department of Revenue, the Department of Economic Development, and the  
 7 Department of Culture, Recreation and Tourism, which administers an  
 8 incentive expenditure program, shall coordinate and implement procedures for  
 9 developing the estimate of the incentive expenditures for submission to the  
 10 Revenue Estimating Conference, the legislative fiscal office, and the division of  
 11 administration. Such procedures shall include consideration of, but not be  
 12 limited to:

13 (a) The statutory guidelines for the incentive expenditure program.

14 (b) Any application process for the incentive expenditure program.

15 (c) Estimates of the timeline from any application process through  
 16 approval of the application and the claiming of the tax benefit by a taxpayer.

17 (d) Historical data on the actual amount of reductions of and payments  
 18 made from tax collections for the incentive expenditure program.

19 (e) Projections of tax revenue or budgetary savings to be generated for  
 20 state or local government as a result of the incentive expenditure.

21 (5) The participants of the conference shall work in conjunction with the  
 22 respective agency or agencies to implement all procedures.

23 \* \* \*

24 §34. Executive budget

25 A.(1) The governor shall cause to be prepared an executive budget presenting  
 26 a complete financial and programmatic plan for the ensuing fiscal year which shall  
 27 include recommendations for appropriations from the state general fund and  
 28 dedicated funds which shall not exceed the official forecast of the Revenue  
 29 Estimating Conference. Except as provided by R.S. 39:75(E), the executive budget  
 30 shall not include recommendations for appropriations from any fund in excess of the

1 official forecast of money available for appropriation from that fund.

2 **(2) The executive budget for Fiscal Year 2018-2019 and each fiscal year**  
3 **thereafter shall include a listing of all incentive expenditure programs by**  
4 **department, including the forecasted amount of each incentive expenditure as**  
5 **adopted for the current fiscal year by the Revenue Estimating Conference. The**  
6 **incentive expenditures programs shall be stated as a separate description in the**  
7 **program activities of the respective department, agency, or authority of the**  
8 **state which administers the incentive expenditure program. Such incentive**  
9 **expenditures shall not be included as, nor counted towards, the operating**  
10 **expenses of the relevant department, agency, or authority.**

11 \* \* \*

12 §36. Contents and format of executive budget; supporting document

13 A. The executive budget shall present a complete financial and programmatic  
14 plan for the ensuing year, and it shall be configured in a format so as to clearly  
15 present and highlight the functions and operations of state government and the  
16 financial requirements associated with those functions and operations. The executive  
17 budget shall be a performance-based budget and as such may include key objectives  
18 and key performance indicators. The commissioner of administration may designate  
19 key objectives and key performance indicators to be included in the executive  
20 budget. Additionally, the executive budget shall include at a minimum the following:

21 \* \* \*

22 **(7) The executive budget for Fiscal Year 2018-2019 and each fiscal year**  
23 **thereafter shall include a listing of all incentive expenditure programs by**  
24 **department, including the forecasted amount of each incentive expenditure as**  
25 **adopted for the current fiscal year by the Revenue Estimating Conference. The**  
26 **incentive expenditure programs shall be stated as a separate description in the**  
27 **program activities of the respective department, agency, or authority of the**  
28 **state which administers an incentive expenditure program. Such incentive**  
29 **expenditures shall not be included as, nor counted towards, the operating**  
30 **expenses of the relevant department, agency, or authority.**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

\* \* \*

§51. General Appropriation Bill; other appropriation bills

A.

\* \* \*

(2) The General Appropriation Bill and other appropriation bills shall not appropriate any funds, as defined in Article VII, Section 10(J) of the Constitution of Louisiana, which are not part of the official forecast except as provided for in R.S. 39:54(A)(2). **The General Appropriation Bill and other appropriation bills for Fiscal Year 2018-2019 and each fiscal year thereafter shall include a listing of all incentive expenditure programs by department, including the forecasted amount of each incentive expenditure as adopted for the current fiscal year by the Revenue Estimating Conference. The incentive expenditure programs shall be stated as a separate description in the program activities of the respective department, agency, or authority of the state which administers an incentive expenditure program. Such incentive expenditure programs shall not be included as, nor counted towards, the operating expenses of the relevant department, agency, or authority.**

\* \* \*

§56. State budget to be prepared by governor

A. After the passage of the appropriation and revenue acts, but not later than October first of each year, the governor shall cause to be prepared a complete state budget for the fiscal year. The budget so prepared shall include all the details of the financial plan for the fiscal year, as to both expenditures and means of financing as presented in the executive budget, with such revision as may be necessary to bring them into conformity with the appropriation and revenue acts and other acts to provide means of financing, and with the legislative provisions in effect, governing administration of the budget. **The budget prepared for Fiscal Year 2018-2019 and each fiscal year thereafter shall include a statement of total incentive expenditure programs and a statement of incentive expenditure programs by department.**

1  
2  
3  
4

\* \* \*

Section 2. This Act shall become effective on July 1, 2017; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2017, or on the day following such approval by the legislature, whichever is later.

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_