HLS 20RS-234 ENGROSSED

2020 Regular Session

21

HOUSE BILL NO. 267

BY REPRESENTATIVE GARY CARTER

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

1 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(A)(5) and (C)(5) of the Constitution of 4 Louisiana, to provide for deposits into and the uses of the Budget Stabilization Fund; 5 to authorize the use of the fund for state costs associated with a disaster declared by 6 the federal government; to provide for deposit into the fund of certain money 7 received by the state from the federal government for the reimbursement of costs 8 associated with such a disaster; to provide for certain limitations and requirements; 9 to provide for submission of the proposed amendment to the electors; and to provide 10 for related matters. 11 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members 12 elected to each house concurring, that there shall be submitted to the electors of the state of 13 Louisiana, for their approval or rejection in the manner provided by law, a proposal to 14 amend Article VII, Section 10.3(C)(3) and (4) of the Constitution of Louisiana and to add 15 Article VII, Section 10.3(A)(5) and (C)(5) of the Constitution of Louisiana, to read as 16 follows: 17 §10.3. Budget Stabilization Fund 18 Section 10.3.(A) There is hereby established in the state treasury a Budget 19 Stabilization Fund hereinafter referred to as the fund. Money shall be deposited in 20 the fund as follows:

Page 1 of 4

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

1	(5) Money received by the state from the federal government for the
2	reimbursement of costs associated with a federally declared disaster, not to exceed
3	the amount of costs appropriated out of the fund pursuant to Subparagraph (C)(3) of
4	this Section.
5	* * *
6	(C) The money in the fund shall not be available for appropriation or use
7	except under the following conditions:
8	* * *
9	(3) If there is a disaster in the state that is declared a disaster by the federal
10	government, up to one-third of the fund, not to exceed the state costs associated with
11	the disaster, may be appropriated after the consent of two-thirds of the elected
12	members of each house of the legislature. Between sessions of the legislature, the
13	appropriation may be made only with written consent of two-thirds of the elected
14	members of each house of the legislature. Any reimbursement by the federal
15	government for the costs associated with the same disaster shall be deposited into the
16	fund, not to exceed the amount of costs appropriated out of the fund pursuant to this
17	Subparagraph.
18	(4) In no event shall the amount included in the official forecast for the next
19	fiscal year pursuant to Subparagraph (1) of this Paragraph, plus the amount
20	appropriated in the current fiscal year pursuant to Subparagraph (2) of this
21	Paragraph, plus the amount appropriated pursuant to Subparagraph (3) of this
22	<u>Paragraph</u> exceed one-third of the fund balance at the beginning of the current fiscal
23	year.
24	(4) (5) No appropriation or deposit to the fund shall be made if such
25	appropriation or deposit would cause the balance in the fund to exceed four percent
26	of total state revenue receipts for the previous fiscal year.
27	Section 2. Be it further resolved that this proposed amendment shall be submitted
28	to the electors of the state of Louisiana at the statewide election to be held on November 3,
29	2020.

1 Section 3. Be it further resolved that on the official ballot to be used at the election, 2 there shall be printed a proposition, upon which the electors of the state shall be permitted 3 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as 4 follows: 5 Do you support an amendment to allow for the use of the Budget 6 Stabilization Fund, also known as the Rainy Day Fund, for state costs associated with a disaster declared by the federal government? (Amends 7 8 Article VII, Section 10.3(C)(3) and (4); Adds Article VII, Section 10.3(A)(5) 9 and (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)]

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Gary Carter

Abstract: Authorizes the use of the Budget Stabilization Fund, also known 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 collected by the state over a base amount of \$750 million. Further authorizes the legislature to increase the base amount every 10 years by a law enacted by 2/3 of the elected members of each house of the legislature. 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 elected members of each house of the legislature:

- (1) 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.
- (2) If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to 1/3 of the fund not to exceed the projected deficit may be appropriated.

<u>Proposed constitutional amendment</u> 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 consent of 2/3 of the elected members of each house of the legislature.

<u>Present constitution</u> provides for deposits into the fund including monies in excess of the expenditure limit, mineral revenues, and nonrecurring revenues.

<u>Proposed constitutional amendment</u> retains the deposits into the fund in <u>present constitution</u> and adds the deposit of federal funds received by the state for the reimbursement of disaster costs, not to exceed the amount of the costs appropriated out of the fund.

<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 constitutional amendment</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 November 3, 2020.

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