

2020 First Extraordinary Session

HOUSE BILL NO. 35

BY REPRESENTATIVES BISHOP, BEAULLIEU, RISER, STEFANSKI, AND WRIGHT

FUNDS/FUNDING: Creates the Capital Outlay Savings Fund (Items #10 and #11)

1 AN ACT

2 To enact Subpart Q of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.121, relative to capital
4 outlay funds; to create the Capital Outlay Savings Fund; to provide for the transfer
5 and deposit of certain monies into the fund; to provide for uses of the fund; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart Q of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
9 Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.121, is hereby enacted to read
10 as follows:

11 SUBPART Q. CAPITAL OUTLAY SAVINGS FUND

12 §100.121. Capital Outlay Savings Fund

13 A.(1) There is hereby created in the state treasury, as a special fund, the
14 Capital Outlay Savings Fund, hereinafter referred to as the "fund". The fund shall
15 be comprised of nonrecurring state general fund revenues.

16 (2)(a) The state treasurer is authorized and directed to transfer and deposit
17 into the fund an amount equal to one hundred six million, seven hundred thirty-seven
18 thousand, eight hundred fifty-four dollars of nonrecurring revenues from the Fiscal
19 Year 2018-2019 surplus as recognized by the Revenue Estimating Conference.

1 (b) In the event that a project included in the comprehensive capital outlay
2 budget that has a state general fund direct non-recurring revenue appropriation is
3 deemed null by the division of administration or is vetoed by the governor, the state
4 treasurer is authorized and directed to deposit into the fund an amount equal to the
5 amount of the appropriation for the project that is deemed null or vetoed from the
6 nonrecurring revenues in the state general fund.

7 B. Monies in the fund shall be used only for the following purposes:

8 (1) Providing funding for capital outlay projects.

9 (2) Providing for allocation or appropriation for deposit into the Budget
10 Stabilization Fund established in Article VII, Section 10.3 of the Constitution of
11 Louisiana.

12 C. The monies in the fund shall be invested by the state treasurer in the same
13 manner as monies in the state general fund. All unexpended and unencumbered
14 monies in the fund at the end of the fiscal year shall remain in the fund, and any
15 interest earned on the monies in the fund shall be credited to the fund.

16 Section 2. This Act shall become effective on July 1, 2020; if vetoed by the governor
17 and subsequently approved by the legislature, this Act shall become effective on July 1,
18 2020, or on the day following such approval by the legislature, whichever is later.

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)]

HB 35 Reengrossed

2020 First Extraordinary Session

Bishop

Abstract: Creates the Capital Outlay Savings Fund to be used for capital outlay projects and to allocate or appropriate funds into the Budget Stabilization Fund.

Proposed law creates the Capital Outlay Savings Fund as a special fund in the state treasury and restricts use of the monies in the fund to capital outlay projects and to allocate or appropriate funds into the Budget Stabilization Fund. Further requires monies in the fund to be invested by the state treasurer, and all unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund, including any interest earnings.

Proposed law requires monies in the fund to be comprised of nonrecurring state general fund (SGF) revenues and directs the state treasurer to deposit \$106,737,854 of nonrecurring revenues from the FY 18-19 surplus as recognized by the Revenue Estimating Conference into the fund. Further provides that if a project included in the capital outlay budget that has

an SGF direct non-recurring revenue appropriation is deemed null by the division of administration or is vetoed by the governor, the state treasurer is directed to deposit into the fund an amount equal to the amount of the appropriation deemed null or vetoed from the nonrecurring revenues in the SGF.

Effective July 1, 2020.

(Adds R.S. 39:100.121)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Direct the state treasurer to deposit \$106,737,854 of nonrecurring revenues from the FY 18-19 surplus into the fund.
2. Direct the treasurer to deposit into the fund an amount equal to the amount of a capital outlay SGF direct non-recurring revenue appropriation deemed null by the division of administration or vetoed by the governor.
3. Require monies in the fund to be invested by the treasurer and provide that all unexpended monies in the fund at the end of the fiscal year, including interest earnings, shall remain in the fund.
4. Add an effective date of July 1, 2020.