

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **RE-REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
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| Date: May 14, 2013 | 4:47 PM | Author: SEABAUGH |
| Dept./Agy.: | | Analyst: Travis McIlwain |
| Subject: State Budget Development | | |

BUDGETARY CONTROLS RR SEE FISC NOTE GF RV See Note 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 use the definition of nonrecurring as provided for in law to determine the designation of money in the official forecast as either recurring or nonrecurring. 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.

This bill is contingent upon the approval of the following HBs: HB 434, HB 436, HB 437 & HB 620 of the 2013 Regular Legislative Session. Also, this bill is contingent upon the passage of the following revenue measures: HB 456, 474, 571, 653 and 696. In addition, this bill is also contingent upon the passage of the General Appropriations Bill, HB 1.

REVENUE EXPLANATION

This bill would require the REC to include within its state general fund revenue forecast all resources that support the executive budget/general appropriations bill (not already included within the current forecast) and determine if such resources are either recurring or nonrecurring.

For **illustrative purposes**, if this constitutional amendment had been in place during the building of the current year budget (FY 13), the REC would have likely considered the following items that are currently supporting the FY 13 budget in its SGF discussions: \$58.6 million - Rescinded Nonrecurring & recurring SGF capital outlay projects (Act 23); \$96.8 million - Act 597 resources, which include: \$2.8 million from the LA Tourism District, \$56 million from the Self Insurance Fund, \$10 million from the sale of NOAH, \$7 million from Mortgage Settlement receipts, \$11 million from the LA Housing Corporation, \$20 million from the Morial Convention Center, \$44 million from various fund sweeps, \$47.3 million from AWP legal settlements, \$3.9 million from self-generated revenues from the Department of Revenue, \$110.4 million from Go Zone Debt repayments; \$13.1 million from CDBG revenues (utilized in FY 13 to support LA-4); \$15.2 million from adopted TOPS constitutional amendment. Note: The proposed bill provides for the fund balances being utilized to support the budget to be certified by the state treasury.

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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