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## DIGEST

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HB 316 Original

2018 Regular Session

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.

Present law 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 in law. Increases provided for in law in 2004 and 2015 have increased the base amount to \$950 million.

Present law provides for the fund to be used only under the following conditions, after consent of 2/3 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.

Proposed law retains the deposits into the fund in present law and adds the deposit of federal funds received by the state for the reimbursement of disaster costs, not to exceed the amount of costs appropriated out of the fund.

Proposed law further provides for the use of the fund in the current fiscal year for the state costs associated with a federally declared disaster, not to exceed an amount equal to one-third of the fund, after the consent of 2/3 of the elected members of the legislature. Further requires the resolution or ballot used for the required consent of the legislature to specify the amount of the fund that will be available for each state agency.

Present law 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. Proposed law 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.

Proposed law authorizes an increase in revenues, not to exceed an amount equal to the Budget Stabilization Fund, to be available for allotment and expenditure by a state agency on approval of an increase in the appropriation by the commissioner of administration and the Joint Legislative Committee on the Budget. The amount available to each state agency is restricted to the amount specified in the resolution or ballot used for the required consent of the legislature to use the Budget Stabilization Fund.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_\_\_ of this 2018 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:94(C)(3) and (4); Adds R.S. 39:73(D) and 94(A)(5) and (C)(5))