



1           general fund and dedicated funds for that year except funds allocated by Article VII,  
 2           Section 4, Paragraphs (D) and (E). For subsequent fiscal years, the limit shall not  
 3           exceed the expenditure limit for the current fiscal year plus an amount equal to that  
 4           limit ~~times multiplied by~~ a positive growth factor. ~~The growth factor is the average~~  
 5           ~~annual percentage rate of change of personal income for Louisiana as defined and~~  
 6           ~~reported by the United States Department of Commerce for the three calendar years~~  
 7           ~~prior to the fiscal year for which the limit is calculated~~ legislature by law shall  
 8           establish a procedure to determine the growth factor, which shall not exceed six  
 9           percent. Any law establishing a procedure to determine the growth factor, once  
 10           enacted, shall not be changed except by specific legislative instrument which  
 11           received a favorable vote of two-thirds of the elected members of each house of the  
 12           legislature.

13                     (2) The expenditure limit may be changed in any fiscal year by ~~a favorable~~  
 14           ~~vote of consent of~~ two-thirds of the elected members of each house. Any If the  
 15           legislature is in session, any such change in the expenditure limit shall be approved  
 16           by passage of a specific legislative instrument which clearly states the intent to  
 17           change the limit. If the legislature is not in session, the two-thirds requirement may  
 18           be satisfied upon obtaining written consent of two-thirds of the elected members of  
 19           each house in a manner provided by law.

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21           Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
 22           elected to each house concurring, that there shall be submitted to the electors of the state of  
 23           Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal  
 24           Article VII, Section 10.3(A)(1) of the Constitution of Louisiana.

25           Section 3. Be it further resolved that this proposed amendment shall be submitted  
 26           to the electors of the state of Louisiana at the statewide election to be held on November 6,  
 27           2018.

28           Section 4. Be it further resolved that on the official ballot to be used at the election,  
 29           there shall be printed a proposition, upon which the electors of the state shall be permitted

1 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
2 follows:

3 Do you support an amendment to cap the annual growth of the expenditure  
4 limit, to change the use of money in excess of the expenditure limit, and to  
5 allow the legislature to establish in law the method of determining the  
6 expenditure limit? (Amends Article VII, Section 10(C)(1) and (2), Repeals  
7 Article VII, Section 10.3(A)(1))

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#### 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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HB 540 Original

2018 Regular Session

Barras

**Abstract:** Caps the annual growth factor of the expenditure limit at 6%, allows the growth factor to be established by law that requires 2/3 vote of each house of the legislature to change, provides for changing the expenditure limit when the legislature is not in session, and deletes the requirement that money in excess of the expenditure limit be deposited into the Budget Stabilization Fund.

Present constitution provides for the determination of the expenditure limit for the next fiscal year to be determined in the first quarter of the calendar year for the current fiscal year. The expenditure limit for the next fiscal year is based on the expenditure limit for the current fiscal year multiplied by a growth factor based on the change of personal income in the state.

Present constitution defines the growth factor as the average annual percentage rate of change of personal income for La. as defined and reported by the U.S. Dept. of Commerce for the three calendar years prior to the fiscal year for which the limit is calculated.

Proposed constitutional amendment removes the definition of the growth factor in present constitution and instead requires the legislature to establish a procedure to determine the growth factor, which shall not exceed 6%. Once established, the growth factor shall not be changed except by specific legislative instrument receiving a favorable 2/3 vote of the elected members of each house of the legislature.

Present constitution authorizes the legislature to change the expenditure limit any fiscal year by a favorable vote of 2/3 of the elected members of each house by a specific legislative instrument.

Proposed constitutional amendment authorizes the legislature to change the expenditure limit with written consent of 2/3 of the elected members of each house when the legislature is not in session.

Present constitution requires that money available for appropriation from the state general fund and dedicated funds in excess of the expenditure limit be deposited into the Budget Stabilization Fund.

Proposed constitutional amendment repeals present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2018.

(Amends Const. Art. VII, §10(C)(1) and (2); Repeals Const. Art. VII, §10.3(A)(1))