

## RÉSUMÉ DIGEST

ACT 544 (HB 316)

2018 Regular Session

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New law would have authorized 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.

Existing law and constitution establish the Budget Stabilization Fund 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.

New law would have provided 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 1/3 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.

New law would have required federal reimbursements, up to the amount appropriated out of the fund for the same disaster, to be deposited into the fund.

Existing law prohibits using more than 1/3 of the fund balance at the beginning of the current fiscal year for the current and next fiscal years. New law would have included the use of the fund as a result of a federally declared disaster in the 1/3 fund balance limit.

Would have been effective if the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as HB No. 309 of the 2018 R.S. of the Legislature is adopted at a statewide election and becomes effective; however, HB No. 309 did not finally pass the Senate.

(Proposed to amend R.S. 39:94(C)(3) and (4); Proposed to add R.S. 39:73(D) and 94(A)(5) and (C)(5))