
DIGEST

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HB 269 Original

2020 Regular Session

Gary Carter

Abstract: Authorizes the use of the Budget Stabilization Fund, also known as the Rainy Day Fund, for state 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. Increases provided for in present 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 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 for the same disaster pursuant to proposed law.

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 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.

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 provides that if the Revenue Estimating Conference incorporates an amount of the Budget Stabilization Fund into the official forecast because of a federally declared disaster pursuant to proposed law, the increase in revenues shall be available for allotment and expenditure by an agency on approval of an increase in the appropriation to the agency by the commissioner of administration and the Joint Legislative Committee on the Budget. Provides that the amount available to the agency shall be equal to the amount specified in the resolution or ballot used for the required consent of the elected members of each house pursuant to present law and shall not exceed the amount of costs incurred by the agency associated with the disaster.

Proposed law repeals provisions that became null, void, and of no effect on July 1, 2017.

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 2020 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))