HLS 20RS-342 ORIGINAL

2020 Regular Session

HOUSE BILL NO. 464

1

BY REPRESENTATIVE BEAULLIEU

BUDGETARY CONTROLS: (Constitutional Amendment) Provides for changes in the expenditure limit calculation

A JOINT RESOLUTION

2	Proposing to amend Article VII, Section 10(C)(1) and (2) of the Constitution of Louisiana,
3	relative to the expenditure limit; to provide for the method of determining the
4	expenditure limit; to limit the growth of the expenditure limit; to provide for
5	submission of the proposed amendment to the electors; and to provide for related
6	matters.
7	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
8	elected to each house concurring, that there shall be submitted to the electors of the state of
9	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
10	amend Article VII, Section 10(C)(1) and (2) of the Constitution of Louisiana, to read as
11	follows:
12	§10. Expenditure of State Funds
13	Section 10.
14	* * *
15	(C) Expenditure Limit. (1) The legislature shall provide for the
16	determination of an expenditure limit for each fiscal year to be established during the
17	first quarter of the calendar year for the next fiscal year. However, the expenditure
18	limit for the 1991-1992 Fiscal Year shall be the actual appropriations from the state
19	general fund and dedicated funds for that year except funds allocated by Article VII,
20	Section 4, Paragraphs (D) and (E). For subsequent fiscal years, the limit shall not

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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exceed the expenditure limit for the current fiscal year plus an amount equal to that limit times a positive growth factor be as provided for by law. The growth factor is the average annual percentage rate of change of personal income for Louisiana as defined and reported by the United States Department of Commerce for the three calendar years prior to the fiscal year for which the limit is calculated legislature shall establish by law a procedure to determine the expenditure limit. The procedure shall not provide for growth in the expenditure limit of more than five percent in any year. Once established by law, the procedure to determine the expenditure limit shall not be changed except by a law enacted by two-thirds of the elected members of each house of the legislature. (2) The expenditure limit may be changed in any fiscal year by a favorable vote of consent of two-thirds of the elected members of each house. Any If the legislature is in session, any such change in the expenditure limit shall be approved by passage of a specific legislative instrument which clearly states the intent to change the limit. If the legislature is not in session, the two-thirds requirement may be satisfied upon obtaining written consent of two-thirds of the elected members of each house in a manner provided by law. Section 2. Be it further resolved that this proposed amendment shall be submitted to the electors of the state of Louisiana at the statewide election to be held on November 3, 2020. Section 3. Be it further resolved that on the official ballot to be used at the election, there shall be printed a proposition, upon which the electors of the state shall be permitted to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as follows: Do you support an amendment to limit the growth of the expenditure limit for the state general fund and dedicated funds and to remove the calculation of its growth factor from the Constitution? (Amends Article VII, Section

10(C)(1) and (2)

## **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)]

HB 464 Original

2020 Regular Session

Beaullieu

**Abstract:** Limits the annual growth of the expenditure limit to 5%, allows the procedure for the expenditure limit to be established by law that requires enactment of a law by 2/3 vote of each house of the legislature to change, and allows for written consent to change the expenditure limit if the legislature is not in session.

<u>Present constitution</u> 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 times a growth factor based on the change of personal income in the state.

<u>Present constitution</u> 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.

<u>Proposed constitutional amendment</u> instead requires the legislature to establish a procedure to determine the expenditure limit, which shall not provide for growth of more than 5%. Once established, procedure shall not be changed except by a law enacted by a 2/3 vote of the elected members of each house of the legislature.

<u>Present constitution</u> 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.

<u>Proposed constitutional amendment</u> 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.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 3, 2020.

(Amends Const. Art. VII, §10(C)(1) and (2))