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## DIGEST

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HB 528 Original

2020 Regular Session

Miguez

**Abstract:** Ties the next year's expenditure limit to current year expenditures, caps the annual growth factor of the expenditure limit at 6%, allows the growth factor to be established by law that requires a 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.

Proposed constitutional amendment changes the base for determining the next year's expenditure limit from the current year expenditure limit to current year appropriations out of the state general fund and dedicated funds.

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 a law enacted by a 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. 3, 2020.

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