

2020 Regular Session

HOUSE BILL NO. 464

BY REPRESENTATIVES BEAULLIEU, AMEDEE, BACALA, BRYANT, CARRIER, CORMIER, CREWS, DESHOTEL, DEVILLIER, EDMONDS, EMERSON, FARNUM, FIRMENT, FONTENOT, FRIEMAN, GAROFALO, HARRIS, TRAVIS JOHNSON, MCCORMICK, MCKNIGHT, MIGUEZ, PRESSLY, SCHAMERHORN, SEABAUGH, THOMAS, AND WRIGHT

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

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10(C)(1) of the Constitution of Louisiana, relative
3 to the expenditure limit; to provide for the method of determining the expenditure
4 limit; to limit the growth of the expenditure limit; to provide for effectiveness; to
5 provide for submission of the proposed amendment to the electors; and to provide
6 for related 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) of the Constitution of Louisiana, to read as follows:

11 §10. Expenditure of State Funds

12 Section 10.

13 * * *

14 (C) Expenditure Limit. (1) The legislature shall provide for the
15 determination of an expenditure limit for each fiscal year to be established during the
16 first quarter of the calendar year for the next fiscal year. However, the expenditure
17 limit for the 1991-1992 Fiscal Year shall be the actual appropriations from the state
18 general fund and dedicated funds for that year except funds allocated by Article VII,

1 Section 4, Paragraphs (D) and (E). For subsequent fiscal years, the limit shall ~~not~~
 2 ~~exceed the expenditure limit for the current fiscal year plus an amount equal to that~~
 3 ~~limit times a positive growth factor~~ be as provided for by law. The ~~growth factor is~~
 4 ~~the average annual percentage rate of change of personal income for Louisiana as~~
 5 ~~defined and reported by the United States Department of Commerce for the three~~
 6 ~~calendar years prior to the fiscal year for which the limit is calculated~~ legislature
 7 shall establish by law a procedure to determine the expenditure limit. The procedure
 8 shall not provide for growth in the expenditure limit of more than five percent in any
 9 year. Once established by law, the procedure to determine the expenditure limit shall
 10 not be changed except by a law enacted by two-thirds of the elected members of each
 11 house of the legislature.

12 * * *

13 Section 2. Be it further resolved that this proposed amendment shall be submitted
 14 to the electors of the state of Louisiana at the statewide election to be held on November 3,
 15 2020.

16 Section 3. Be it further resolved that the provisions of the amendment contained in
 17 this Joint Resolution shall become effective on June 30, 2022.

18 Section 4. Be it further resolved that on the official ballot to be used at the election,
 19 there shall be printed a proposition, upon which the electors of the state shall be permitted
 20 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
 21 follows:

22 Do you support an amendment to limit the growth of the expenditure limit
 23 for the state general fund and dedicated funds and to remove the calculation
 24 of its growth factor from the Constitution? (Effective June 30, 2022)
 25 (Amends Article VII, Section 10(C)(1))

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 Reengrossed

2020 Regular Session

Beaulieu

Abstract: Requires the legislature to establish a procedure to determine the annual state expenditure limit and caps the growth of the limit at five percent.

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 times 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 instead requires the legislature to establish a procedure to determine the expenditure limit, which shall not provide for growth of more than five percent. Provides that once established, the 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.

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

Effective June 30, 2022.

(Amends Const. Art. VII, §10(C)(1))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Remove provision of proposed law that would have allowed the legislature to change the expenditure limit when not in session by mail-in ballot with consent of 2/3 of the membership of each house.

The House Floor Amendments to the engrossed bill:

1. Set the effective date to June 30, 2022.