ACT No. 271

HOUSE BILL NO. 469

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BY REPRESENTATIVES BEAULLIEU AND GAROFALO

2	To amend and reenact R.S. 39:33.1(A), (B), and (C), relative to the expenditure limit; to
3	provide for submission of the expenditure limit to the legislature; to provide for the
4	base for determining the expenditure limit; to cap the annual growth of the
5	expenditure limit; to provide for the calculation of the growth factor; to provide for
6	the calculation of state general fund and dedicated funds applicable to the
7	expenditure limit; to provide for effectiveness; and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 39:33.1(A), (B), and (C) are hereby amended and reenacted to read
10	as follows:
11	§33.1. Determination of expenditure limit
12	A. The commissioner of administration shall submit a calculation for the
13	expenditure limit for the ensuing fiscal year to the Joint Legislative Committee on
14	the Budget no later than thirty-five days prior to each regular session at the same
15	time the executive budget is submitted to the Joint Legislative Committee on the
16	Budget pursuant to R.S. 39:37.
17	B.(1) The expenditure limit for the ensuing fiscal year shall be the
18	expenditure limit for the current fiscal year plus an amount equal to that limit times
19	the growth factor if the growth factor is positive. lesser of the following:
20	(a) The original calculated expenditure limit for the current fiscal year plus
21	an amount equal to that limit times the lesser of five percent or the growth factor.
22	(b) The amount appropriated out of the state general fund and dedicated
23	funds for the current fiscal year plus an amount equal to that appropriated amount
24	times the lesser of five percent or the growth factor.

AN ACT

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

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(2) The growth factor is defined as the average of the following four

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2 indicators: 3 (a) The average annual percentage rate of change of personal income for 4 Louisiana as defined and reported by the United States Department of Commerce, 5 or its successor agency, for the three calendar years prior to the fiscal year for which 6 the limit is calculated. 7 (b) The average annual percentage rate of change of the gross domestic 8 product of Louisiana as defined and reported by the United States Department of 9 Commerce, or its successor agency, for the three calendar years prior to the fiscal 10 year for which the limit is calculated. 11 (c) The average annual percentage rate of change of population for Louisiana 12 as defined and reported by the United States Department of Commerce, or its 13 successor agency, for the three calendar years prior to the fiscal year for which the 14 limit is calculated. 15 (d) The average annual percentage rate of change of the consumer price 16 index for the South Region as defined and reported by the United States Department 17 of Labor, or its successor agency, for the three calendar years prior to the fiscal year 18 for which the limit is calculated. 19 (3) The figures used for the calculation of the growth factor shall be those 20 actual or estimated figures most recently reported by the United States Department 21 of Commerce at the time the expenditure limit is submitted to the Joint Legislative 22 Committee on the Budget. 23 (4) The annual percentage rate of change of personal income for the calendar 24 year immediately preceding the fiscal year for which the expenditure limit is 25 calculated shall be derived by: 26 (a) Computing the simple average of the available quarterly total personal 27 income estimates for that calendar year. 28 (b) Dividing that result by the reported annual estimate of total personal income for the calendar year that is two years prior to the fiscal year for which the 29 limit is calculated. 30

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(c) Subtracting 1.0 from the result obtained in Subparagraph (b) of this

Paragraph: The calculation of the expenditure limit each fiscal year shall be
accompanied by documentation of the methodology and data sources used to
determine the rates of change for each factor. Any changes in the methodology used
from the prior year calculation shall require review and prior approval of the Joint
Legislative Committee on the Budget.

C. After review by the Joint Legislative Committee on the Budget, or its
designated staff, the commissioner of administration shall determine the state general

fund and designated dedicated funds to include and exclude in the calculation of the state general fund and dedicated funds appropriated in the current fiscal year and the state general fund and dedicated funds applicable to the expenditure limit in accordance with Subsection D of this Section.

* * *

APPROVED: ___

Section 2. Notwithstanding any provision of law to the contrary, no funds received by the state of Louisiana from the federal government related to the COVID-19 crisis shall be included in the calculation of the state general fund and dedicated funds applicable to the expenditure limit.

Section 3. This Act shall take effect and become operative if and when the proposed amendment of Article VII of the Constitution of Louisiana contained in the Act which originated as House Bill No. 464 of this 2020 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

SPEAKE	R OF THE	HOUSE O	F REPRE	ESENTAT	TIVES
PRESIDE	NT OF TH	E SENATI	Ε		
GOVERN	OR OF TH	HE STATE	OF LOU	ISIANA	

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