

2020 First Extraordinary Session

HOUSE CONCURRENT RESOLUTION NO. 1

BY REPRESENTATIVES ZERINGUE AND THOMPSON

A CONCURRENT RESOLUTION

To authorize the Revenue Estimating Conference to incorporate certain monies available for appropriation from the Budget Stabilization Fund into the official forecast for Fiscal Year 2020-2021.

WHEREAS, the state of Louisiana is experiencing an unprecedented financial crisis due to the COVID-19 virus pandemic; and

WHEREAS, the pandemic has caused many businesses and operations to shut down, resulting in the state receiving significantly lower sales tax collections and gaming revenues; and

WHEREAS, additional unprecedented volatility in the world oil market as a result of global demand weakness from the pandemic and a saturation in global supply resulted in the state receiving significantly lower severance tax collections; and

WHEREAS, Article VII, Section 10.3 of the Constitution of Louisiana establishes the Budget Stabilization Fund in the state treasury and in Subparagraph (C)(1) thereof provides that 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 one-third of the fund, shall be incorporated into the next year's official forecast only after the consent of two-thirds of the elected members of each house of the legislature; and

WHEREAS, Article VII, Section 10.3(C)(3) of the Constitution of Louisiana provides that in no event shall the amount included in the official forecast for the next fiscal year plus the amount appropriated in the current fiscal year exceed one-third of the fund balance at the beginning of the current fiscal year; and

WHEREAS, at the May 11, 2020, meeting of the Revenue Estimating Conference, the official forecast of recurring money for the current fiscal year, namely, Fiscal Year 2019-2020, adopted by the conference was \$9,592,800,000; and

WHEREAS, at the May 11, 2020, meeting of the Revenue Estimating Conference the official forecast of recurring money for the next fiscal year, namely, Fiscal Year 2020-2021, adopted by the conference was \$9,139,200,000; and

WHEREAS, the official forecast of recurring money for Fiscal Year 2020-2021 is \$453,600,000 less than the official forecast of recurring money for Fiscal Year 2019-2020; and

WHEREAS, no monies have been appropriated out of the Budget Stabilization Fund in the current fiscal year, leaving one-third of the balance available for appropriation; and

WHEREAS, the balance in the Budget Stabilization Fund as of July 1, 2019, was certified to be \$405,283,103.71, and one-third of the balance is \$135,094,367.90; and

WHEREAS, \$90,062,911, or two-thirds of the available amount, is necessary to continue government operations while preserving one-third of the available funds for future emergency use.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby consent to and authorize the Revenue Estimating Conference to incorporate \$90,062,911 of the Budget Stabilization Fund into the official forecast for Fiscal Year 2020-2021.

BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby declare its intention to use the funds made available for appropriation as a result of the incorporation of a portion of the Budget Stabilization Fund into the official forecast for Fiscal Year 2020-2021.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the treasurer.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE