

## RÉSUMÉ DIGEST

ACT 367 (HB 267)

2020 Regular Session

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Existing constitution establishes the Budget Stabilization Fund and provides for the fund to be used only under the following conditions, after consent of 2/3 of the elected members of each house of the legislature:

- (1) 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 1/3 of the fund, shall be incorporated into the next year's official forecast.
- (2) If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to 1/3 of the fund, not to exceed the projected deficit, may be appropriated.

Proposed constitutional amendment provides for the use of the fund for the state costs associated with a federally declared disaster, not to exceed an amount equal to 1/3 of the fund, after consent of 2/3 of the elected members of each house of the legislature.

Existing constitution provides for various deposits into the fund including 25% of any nonrecurring revenues and mineral revenues collected by the state over a certain base amount.

Proposed constitutional amendment adds the deposit of an amount equivalent to the federal funds received by the state for the reimbursement of disaster costs, not to exceed the amount of the costs appropriated out of the fund.

Prior constitution prohibited the amount included in the official forecast for the next fiscal year and the amount appropriated for the current fiscal year from exceeding 1/3 of the fund balance at the beginning of the current fiscal year. Proposed constitutional amendment prohibits the combined amount of the fund incorporated in the official forecast in the next fiscal year, in the current fiscal year, and as a result of a federally declared disaster from exceeding 1/3 of the balance at the beginning of the current fiscal year.

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

(Amends Const. Art. VII, §10.3(C)(3) and (4); Adds Const. Art. VII, §10.3(A)(5) and (C)(5))