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## DIGEST

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HB 656 Original

2022 Regular Session

Geymann

**Abstract:** Limits the amount of recurring revenue that can be recognized by the Revenue Estimating Conference.

Present law requires the Revenue Estimating Conference (REC) to establish and periodically revise an official forecast of all state general fund and dedicated funds, excluding monies the origin of which is any of the following:

- (1) Federal.
- (2) Fees and self-generated collections of public postsecondary education management boards.
- (3) Transfers of funds from another agency, board, or commission.
- (4) Certain mineral royalty and severance revenues.

Further requires REC to designate in its forecast all money that is nonrecurring. Proposed law retains present law. Further requires REC to designate as nonrecurring all state general fund revenues above the revenue limit calculated pursuant to proposed law. Defines the term "state general fund revenues" for purposes of proposed law to mean the total taxes, licenses, fees, and any additional funds that would otherwise be incorporated into the forecast, less dedications. Prohibits designation of monies withdrawn from the Budget Stabilization Fund as nonrecurring pursuant to proposed law. Authorizes the legislature to change the revenue limit by passage of a concurrent resolution adopted with a 2/3 vote of the elected members of each house. Requires REC to meet within 30 days of the adoption of any such resolution and revise its official forecast in conformity with the new revenue limit figure. Further prohibits application of proposed law if the revenue limit does not exceed the actual collections for the most recently completed fiscal year for total taxes, licenses, fees, and any additional funds incorporated into the forecast, less dedications, as reported to REC.

Proposed law requires REC at a meeting held in Jan. each year, to adopt by a unanimous vote a calculation of the revenue limit. Provides the revenue limit is the actual collections of state general fund revenues for the most recently completed fiscal year plus an amount equal to the actual collections of state general fund revenues for the most recent fiscal year times the annual growth factor. Provides that for purposes of proposed law, "state general fund revenues" means actual collections for the most recently completed fiscal year for total taxes, licenses, fees, and any additional funds incorporated into the forecast, less dedications, as reported to the REC.

Proposed law requires REC to calculate the annual growth factor at a Jan. meeting each year. Further defines "annual growth factor" for the purposes of proposed law to mean the percentage rate that is the average of the following economic indicators:

- (1) The rate of change of the gross domestic product of Louisiana as defined and reported by the United States Department of Commerce, or its successor agency, for the ten years immediately preceding the year for which the base is calculated.
- (2) The rate of change of personal income for Louisiana as defined and reported by the United States Department of Commerce, or its successor agency, for the ten years immediately preceding the year for which the base is calculated.

Prohibits inclusion of monies withdrawn from the Budget Stabilization Fund in any calculation made pursuant to proposed law.

Effective January 1, 2023.

(Amends R.S. 39:24(A) and Adds R.S. 39:24.1.1)