

---

## 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 526 Original

2024 Regular Session

Beaullieu

**Abstract:** Provides for changes in calculation of the expenditure limit.

Present constitution requires the legislature to provide for the determination of an expenditure limit (hereafter "limit") for each fiscal year to be established during the first quarter of the calendar year for the next fiscal year. Proposed constitutional amendment retains present constitution. Further defines the limit as a limit on the amount of state general fund and dedicated funds that may be appropriated by the legislature in a given fiscal year.

Present constitution establishes the calculation of the limit as the prior year's limit plus a positive growth factor, which is 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 repeals this calculation. Requires the legislature to provide for the calculation of the expenditure limit by law. Further provides that if the procedure established by the legislature includes application of a growth factor, such growth factor shall not exceed five percent of the expenditure limit for the year in which the limit is calculated.

Proposed constitutional amendment provides that after the effective date of proposed constitutional amendment, the procedure established by the legislature pursuant to the provisions of proposed constitutional amendment shall not be changed except by a law enacted by two-thirds of the elected members of each house of the legislature.

Present constitution authorizes the legislature to change the limit in a fiscal year by a two-thirds vote. Proposed constitutional amendment authorizes the legislature to change the expenditure limit by a two-thirds vote if the limit for the fiscal year in which the change is enacted and the limit for the immediately prior fiscal year are each less than 101% of their respective prior limits.

Present constitution requires passage of a specific legislative instrument which clearly states the intent to change the limit. Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment provides that if the legislature has increased the limit for a fiscal year pursuant to the provisions of present constitution and proposed constitutional amendment, the limit for the fiscal year immediately following the fiscal year for which a change was made shall not be calculated using the increased limit. Requires any such calculation to use the limit established prior to the legislature's change.

Present constitution requires the limit to be calculated using the present constitution definition of state general fund and dedicated funds (All money required to be deposited in the state treasury, except that money the origin of which is: (1) The federal government; (2) Self-generated collections by any entity subject to the policy and management authority established by Art. VIII, Sec. 5 through 7; (3) A transfer from another state agency, board, or commission.).

Proposed constitutional amendment repeals provisions relative to calculation of prior limits using the present constitution methodology.

Proposed constitutional amendment provides that, notwithstanding any provision of proposed constitutional amendment to the contrary, the limit for FY 2025-2026 shall equal the actual appropriations from the state general fund and dedicated funds for FY 23-24 plus the product of such amount times three percent.

Present constitution provides that the limit shall not apply to payments made pursuant to present constitution to locals for severance tax allocations or royalties. Proposed constitutional amendment retains present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 5, 2024.

(Amends Const. Art. VII, §10(C)(1)-(3))