2025 Regular Session

HOUSE BILL NO. 295

BY REPRESENTATIVE TARVER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

APPROPRIATIONS: (Constitutional Amendment) Limits the amount of State General Fund (Direct) revenues that may be appropriated in a fiscal year for recurring expenses and restricts use of such revenues above that limit

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Sections 10(C) and (E) and 11(A) of the Constitution of
3	Louisiana, relative to state finances; to provide for calculation of a limit above which
4	certain funds may only be appropriated for certain purposes; to provide for
5	exceptions; to authorize the legislature to change the limit in certain circumstances;
6	to provide for the establishment of an initial limit; to provide relative to the duties
7	of the governor with respect to state finances; to provide with respect to the powers
8	and duties of the Revenue Estimating Conference; to provide for submission of the
9	proposed amendment to the electors; and to provide for related matters.
10	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
11	elected to each house concurring, that there shall be submitted to the electors of the state of
12	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
13	amend Article VII, Sections 10(C) and (E) and 11(A) of the Constitution of Louisiana, to
14	read as follows:
15	§10. Expenditure of State Funds
16	Section 10.
17	* * *
18	(C) Expenditure Limit. and Government Growth Limits (1) Expenditure
19	Limit. (a) The legislature shall provide for the determination of an expenditure

1	limit for each fiscal year to be established during the first quarter of the calendar year
2	for the next fiscal year. However, the expenditure limit for the 1991-1992 Fiscal
3	Year shall be the actual appropriations from the state general fund and dedicated
4	funds for that year except funds allocated by Article VII, Section 4, Paragraphs (D)
5	and (E). For subsequent fiscal years, the limit shall not exceed the expenditure limit
6	for the current fiscal year plus an amount equal to that limit times a positive growth
7	factor. The growth factor is the average annual percentage rate of change of personal
8	income for Louisiana as defined and reported by the United States Department of
9	Commerce for the three calendar years prior to the fiscal year for which the limit is
10	calculated.
11	(2) (b) The expenditure limit may be changed in any fiscal year by a
12	favorable vote of two-thirds of the elected members of each house. Any such change
13	in the expenditure limit shall be approved by passage of a specific legislative
14	instrument which clearly states the intent to change the limit.
15	(3)(c) Beginning with the 1995-1996 Fiscal Year, the expenditure limit shall
16	be determined in accordance with the provisions of Paragraph (J) of this Section.
17	The redetermination of the expenditure limit for each fiscal year from the 1991-1992
18	Fiscal Year through the 1994-1995 Fiscal Year shall only be used in computing the
19	expenditure limit for the 1995-1996 Fiscal Year and shall not affect the expenditure
20	limit already computed in accordance with this Paragraph for such fiscal years.
21	(4) The provisions of this Paragraph shall not apply to or affect funds
22	allocated by Article VII, Section 4, Paragraphs (D) and (E).
23	(2) Government Growth Limit. (a) Beginning with the 2027-2028 Fiscal
24	Year, there shall be a limit for each fiscal year above which appropriation of
25	recurring revenue from the State General Fund (Direct) means of finance shall only
26	be made for the purposes provided in this Subparagraph. Such limit shall be known
27	as the Government Growth Limit and shall be established by the Revenue Estimating

28 <u>Conference no later than the first quarter of the calendar year for the next fiscal year.</u>

1	The legislature shall establish procedures by law for the calculation and application
2	of such limit.
3	(b) Recurring revenue amounts recognized in the official forecast for the
4	State General Fund (Direct) means of finance above the Government Growth Limit
5	and below the expenditure limit may be appropriated only for nonrecurring expenses.
6	For the purposes of this Item, the term "nonrecurring expense" means an expense
7	that is not of a continuing or recurring character and that in the normal course of
8	administration is not expected to be necessary in approximately the same amounts
9	each year.
10	(c) The legislature may provide by law for exceptions to Subsubparagraph
11	(b) of this Subparagraph.
12	(d) A Government Growth Limit may be changed by a favorable vote of
13	two-thirds of the elected members of each house of the legislature if each of the
14	growth factors for any of the three fiscal years immediately preceding the year to be
15	changed was two and one-half percent or less. Any change in the Government
16	Growth Limit authorized by this Subsubparagraph shall be approved by passage of
17	a specific legislative instrument which clearly states the intent to change the limit.
18	(3) The provisions of this Paragraph shall not apply to or affect funds
19	allocated by Article VII, Section 4, Paragraphs (D) and (E).
20	* * *
21	(E) Balanced Budget. Appropriations by the legislature from the state
22	general fund and dedicated funds for any fiscal year except funds allocated by
23	Article VII, Section 4, Paragraphs (D) and (E) shall not exceed the official forecast
24	in effect at the time the appropriations are made. Appropriations of recurring
25	revenue from the state general fund and dedicated funds, shall comply with the
26	provisions of Subparagraph (C)(2) of this Section.
27	* * *

1 §11. Budgets

2 Section 11.(A) Budget Estimate. The governor shall submit to the 3 legislature, at the time and in the form fixed by law, a budget estimate for the next 4 fiscal year setting forth all proposed state expenditures. This budget shall include 5 a recommendation for appropriations from the state general fund and from dedicated 6 funds, except funds allocated by Article VII, Section 4, Paragraphs (D) and (E), 7 which shall not exceed the official forecast of the Revenue Estimating Conference 8 and the expenditure limit for the fiscal year. The recommendation shall also comply 9 with the provisions of Article VII, Section 10(D) Sections 10(C)(2) and (D). This 10 budget shall include a recommendation for funding of state salary supplements for 11 full-time law enforcement and fire protection officers of the state, as provided in 12 Article VII, Section 10(D)(3) of this constitution.

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Section 2.(A) Notwithstanding any provision of this Act to the contrary, the Government Growth Limit for the 2027-2028 Fiscal Year shall equal the base, plus the product of such amount and three percent. For the purposes of this Section, "the base" shall mean the total of appropriations for recurring expenses from the State General Fund (Direct) means of finance for the last full fiscal year immediately prior to calculation of the limit; however, the base shall not include appropriations or allocations from any of the following:

20 (1) Any funds from the Budget Stabilization Fund incorporated into the official21 forecast for the base year.

(2) Any funds appropriated as a result of a means of finance substitution resulting
in an increase in the State General Fund (Direct) means of finance to compensate for a
decrease in any of the following: federal funding, funds transferred from another state entity,
self-generated collections, or statutorily or constitutionally dedicated funds.

26 (3) Any funds appropriated or allocated that are excluded from the analysis of

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appropriation totals in relation to the expenditure limit.

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1	(B) The commissioner of administration shall cause the limit for Fiscal Year 2027-
2	2028 to be calculated pursuant to the provisions of this Section and shall submit such limit
3	to the Joint Legislative Committee on the Budget no later than January 31, 2027.
4	Section 3. Be it further resolved that this proposed amendment shall be submitted
5	to the electors of the state of Louisiana at the statewide election to be held on November 3,
6	2026.
7	Section 4. Be it further resolved that on the official ballot to be used at the election,
8	there shall be printed a proposition, upon which the electors of the state shall be permitted
9	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
10	follows:
11	Do you support an amendment to limit the amount of state general fund
12	monies the legislature may appropriate for recurring expenses in a fiscal
13	year; to require the legislature to establish a procedure for the calculation of
14	such a limit; to provide restrictions on use of monies available for
15	appropriation in excess of such limit and to authorize exceptions in certain
16	circumstances; and to require the governor's proposed budget each year to
17	conform to such limit? (Amends Article VII, Sections 10(C) and (E) and
18	11(A))

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)]

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Abstract: Beginning with Fiscal Year 2027-2028, establishes the Government Growth Limit (growth limit) to restrict the growth in the total amount of recurring state general fund and dedicated fund monies the legislature may appropriate in any fiscal year.

<u>Present constitution</u> (Art. VII, §10) requires the legislature to provide for the determination of an expenditure limit for each fiscal year for state general fund and dedicated fund appropriations. <u>Proposed constitutional amendment</u> retains <u>present constitution</u>.

<u>Proposed constitutional amendment</u> (Art. VII, §10) further establishes the growth limit for Fiscal Year 2027-2028 and for each fiscal year thereafter. Except in certain limited circumstances provided in <u>proposed constitutional amendment</u>, prohibits spending of recurring revenues above such limit. Requires the Revenue Estimating Conference to adopt

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a growth limit no later than the first quarter of the calendar year for the ensuing fiscal year. Further requires the legislature to provide by law for a procedure to calculate such limit.

<u>Proposed constitutional amendment</u> requires that if the growth limit calculated for any fiscal year exceeds the expenditure limit calculated for the same fiscal year, the growth limit shall be equal to the expenditure limit for that fiscal year. Additionally provides that if the legislature lowers the expenditure limit in a fiscal year and the resulting limit is lower than the growth limit for that fiscal year, the growth limit for that fiscal year is automatically lowered to equal the expenditure limit set by the legislature.

<u>Proposed constitution</u> restricts appropriation of recurring revenue amounts recognized in the official forecast above the growth limit and below the expenditure limit to nonrecurring expenses. For the purposes of <u>proposed constitutional amendment</u>, the term "nonrecurring expense" means an expense that is not of a continuing or recurring character and that in the normal course of administration is not expected to be necessary in approximately the same amounts each year.

<u>Proposed constitutional amendment</u> provides that the growth limit does not apply to the appropriation of funds from the Budget Stabilization Fund incorporated into the official forecast for the current fiscal year.

Further authorizes the legislature to change a growth limit by a favorable vote of two-thirds of the elected members of each house if each of the growth factors for any of the three fiscal years immediately preceding the year to be changed was two and one-half percent or less. Requires any change to the limit be approved by passage of a specific legislative instrument which clearly states the intent to change the limit.

<u>Proposed constitutional amendment</u> exempts certain severance and royalty payments made pursuant to <u>present constitution</u> (Art. VII, §4(D) and (E)) from the provisions of <u>proposed</u> <u>constitutional amendment</u>.

<u>Present constitution</u> prohibits appropriations from the state general fund and dedicated funds for any fiscal year from exceeding the official forecast in effect at the time the appropriations are made. <u>Proposed constitutional amendment</u> retains <u>present constitution</u>. Further requires appropriations of recurring revenues to comply with the provisions of <u>proposed</u> <u>constitutional amendment</u> regarding the growth limit.

<u>Present constitution</u> (Art. VII, Sec. 11(A)) establishes timing and content requirements for the governor's annual proposed budget. Prohibits the proposed budget from exceeding the official forecast and the expenditure limit for the fiscal year being appropriated. <u>Proposed constitutional amendment</u> retains present constitution. <u>Present constitution</u> requires the proposed budget to comply with the provisions of present constitution regarding use of nonrecurring revenues. <u>Proposed constitutional amendment</u> also requires the proposed budget to comply with the provisions of the growth limit.

<u>Proposed constitutional amendment</u> establishes the initial growth limit (for Fiscal Year 2027-2028) as equal to the appropriations for recurring expenses from the state general fund and dedicated funds for Fiscal Year 2026-2027 plus the product of such amount and three percent. Requires the commissioner of administration to calculate such limit and submit it to the Joint Legislative Committee on the Budget no later than Jan. 31, 2027.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2026.

(Amends Const. Art. VII, §§10(C) and (E) and 11(A))

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