



1           (C) Expenditure ~~Limit.~~ and Government Growth Limits. (1) Expenditure  
2           Limit. (a) The legislature shall provide for the determination of an expenditure limit  
3           for each fiscal year to be established during the first quarter of the calendar year for  
4           the next fiscal year. However, the expenditure limit for the 1991-1992 Fiscal Year  
5           shall be the actual appropriations from the state general fund and dedicated funds for  
6           that year except funds allocated by Article VII, Section 4, Paragraphs (D) and (E).  
7           For subsequent fiscal years, the limit shall not exceed the expenditure limit for the  
8           current fiscal year plus an amount equal to that limit times a positive growth factor.  
9           The growth factor is the average annual percentage rate of change of personal  
10          income for Louisiana as defined and reported by the United States Department of  
11          Commerce for the three calendar years prior to the fiscal year for which the limit is  
12          calculated.

13           ~~(2)~~ (b) The expenditure limit may be changed in any fiscal year by a  
14          favorable vote of two-thirds of the elected members of each house. Any such change  
15          in the expenditure limit shall be approved by passage of a specific legislative  
16          instrument which clearly states the intent to change the limit.

17           ~~(3)~~ (c) Beginning with the 1995-1996 Fiscal Year, the expenditure limit shall  
18          be determined in accordance with the provisions of Paragraph (J) of this Section.  
19          The redetermination of the expenditure limit for each fiscal year from the 1991-1992  
20          Fiscal Year through the 1994-1995 Fiscal Year shall only be used in computing the  
21          expenditure limit for the 1995-1996 Fiscal Year and shall not affect the expenditure  
22          limit already computed in accordance with this Paragraph for such fiscal years.

23           ~~(4) The provisions of this Paragraph shall not apply to or affect funds~~  
24          ~~allocated by Article VII, Section 4, Paragraphs (D) and (E).~~

25           (2) Government Growth Limit. (a) Beginning with a limit for the 2027-  
26          2028 fiscal year, there shall be a limit for each fiscal year above which appropriation  
27          of recurring revenue from the State General Fund (Direct) means of finance can only  
28          be made for the purposes provided in this Subparagraph. Such limit shall be known  
29          as the Government Growth Limit and shall be established by the Revenue Estimating

1        Conference no later than the first quarter of the calendar year for the next fiscal year.  
2        The legislature shall establish procedures by law for the calculation and application  
3        of such limit.

4                (b) Except as otherwise provided in this Constitution, the legislature shall not  
5        appropriate or transfer any recurring revenue amounts recognized in the official  
6        forecast for the State General Fund (Direct) means of finance that are above the  
7        Government Growth Limit and below the expenditure limit. If the legislature  
8        changes the Government Growth Limit for a fiscal year, provides an exception to the  
9        Government Growth Limit as provided in Subsubparagraph (c) of this Subparagraph,  
10       or both, then the legislature shall not cause the aggregate amount of all appropriated  
11       and all transferred recurring State General Fund (Direct) revenues above the  
12       applicable Government Growth Limit to exceed the aggregate amount of all such  
13       changes for that same fiscal year.

14                (c) The legislature may provide by law for exceptions to application of the  
15        limit calculated pursuant to the provisions of this Section.

16                (d) A Government Growth Limit may be changed by a favorable vote of  
17        two-thirds of the elected members of each house of the legislature if each of the  
18        growth factors for each of the two fiscal years immediately preceding the year to be  
19        changed was two percent or less. Any change in the Government Growth Limit  
20        authorized by this Subsubparagraph shall be approved by passage of a specific  
21        legislative instrument which clearly states the intent to change the limit.

22                (3) The provisions of this Paragraph shall not apply to or affect funds  
23        allocated by Article VII, Section 4, Paragraphs (D) and (E).

24                                \*        \*        \*

25                (E) Balanced Budget. Appropriations ~~by the legislature~~ from the state  
26        general fund and dedicated funds for any fiscal ~~year year~~, except funds allocated by  
27        Article VII, Section 4, Paragraphs (D) and (E), shall not exceed the official forecast  
28        or the Government Growth Limit in effect at the time the appropriations are made.

29                                \*        \*        \*



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~~ Sections 10(C)(2) and (D). This budget  
10 shall include a recommendation for funding of state salary supplements for full-time  
11 law enforcement and fire protection officers of the state, as provided in Article VII,  
12 Section 10(D)(3) of this constitution.

13 \* \* \*

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

- 20 (1) Any appropriation or allocation excluded from analysis of appropriation and  
21 transfer totals in relation to the expenditure limit.
- 22 (2) Any funds appropriated as a result of a means of financing substitution  
23 resulting in an increase in the State General Fund (Direct) means of finance  
24 to compensate for a decrease in federal funding, funds transferred from  
25 another state entity, self-generated collections, or statutorily or  
26 constitutionally dedicated funds.

27 (B) The commissioner of administration shall cause the limit for Fiscal Year 2027-  
28 2028 to be calculated pursuant to the provisions of this Section and shall submit such limit  
29 to the Joint Legislative Committee on the Budget no later than January 31, 2027.

1 Section 3. Be it further resolved that this proposed amendment shall be submitted  
2 to the electors of the state of Louisiana at the statewide election to be held on November 3,  
3 2026.

4 Section 4. Be it further resolved that on the official ballot to be used at the election,  
5 there shall be printed a proposition, upon which the electors of the state shall be permitted  
6 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
7 follows:

8 Do you support an amendment to require the legislature to establish a  
9 procedure for the calculation of a limit to restrict any increase in the amount  
10 of recurring revenue the legislature may appropriate from the state general  
11 fund in any fiscal year; to provide restrictions on use and transfer of monies  
12 available for appropriation in excess of this limit; to authorize exceptions to  
13 the limit in certain circumstances; and to require the governor's proposed  
14 budget each year to conform to this limit? (Amends Article VII, Sections  
15 10(C) and (E) and 11(A)); Adds Article VII, Section 10.18)

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#### 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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HB 646 Engrossed

2026 Regular Session

Beullieu

**Abstract:** Beginning with Fiscal Year 2027-2028, establishes the Government Growth Limit (growth limit) and requires deposit into the La. Income Tax Elimination Fund (fund) of all recurring state general fund revenues recognized above the growth limit and below the official forecast.

#### GROWTH LIMIT

Present constitution (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. Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment (Art. VII, §10) further establishes the growth limit for Fiscal Year 2027-2028 and for each fiscal year thereafter. Requires all recurring State General Fund (Direct) monies above the growth limit and below the official forecast for the applicable fiscal year to be deposited into the fund. Requires the Revenue Estimating Conference to adopt 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.

Proposed law 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 each of the two fiscal years immediately preceding the year to be changed was 2% 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.

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

### **FUND**

Proposed law establishes the fund in the state treasury and requires deposit into the fund of all recurring state general fund revenues received by the state between the growth limit and the official forecast for that year. Provides for investment of monies in the fund and for deposit of interest earned on fund monies into the fund. Requires unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund.

Restricts use of monies in the fund to the following:

- (1) For budget shortfalls and deficits, subject to the same conditions as appropriation of monies from the Budget Stabilization Fund.
- (2) For the retiring or defeasance of bonds in advance or in addition to the existing amortization requirements of the state.
- (3) For payments against the unfunded accrued liability of state retirement systems; however, any such payment is prohibited from being used directly or indirectly to fund any benefit increase.
- (4) For costs associated with actual project delivery, construction, and maintenance of transportation and capital transit infrastructure projects of the state and local government.

### **MISCELLANEOUS BUDGET PROVISIONS**

Present constitution prohibits appropriations from the State General Fund (Direct) means of finance for any fiscal year from exceeding the official forecast in effect at the time the appropriations are made. Proposed constitutional amendment retains present constitution. Further requires appropriations of recurring revenues to comply with the provisions of proposed constitutional amendment regarding the growth limit.

Present constitution (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. Proposed constitutional amendment retains present constitution. Present constitution requires the proposed budget to comply with the provisions of present constitution regarding use of nonrecurring revenues. Proposed constitutional amendment also requires the proposed budget to comply with the provisions of the growth limit.

Proposed constitutional amendment establishes the initial growth limit (for Fiscal Year 2027-2028) as equal to the appropriations for recurring expenses from the State General Fund (Direct) means of finance for Fiscal Year 2025-2026 plus the product of such amount and 3%. Provides for calculation of the base for the initial growth limit. 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); Adds Const. Art. VII, §10.18)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Remove provisions restricting expenditure of state general fund revenues above the limit to nonrecurring expenses.
2. Add provision prohibiting the legislature from appropriating or transferring any state general fund monies above the growth limit for a given fiscal year. Provide exceptions if the limit is changed and if the legislature exempts a transaction from application of the growth limit as provided in proposed constitutional amendment.
3. Establish the La. Income Tax Elimination Fund and provide for the deposit, use, and investment of monies in the fund.
4. Add exception to calculation of the base for the initial growth limit.
5. Modify criteria pursuant to which the legislature may change a growth limit.
6. Make technical and conforming changes.