Regular Session, 2013

HOUSE BILL NO. 435

BY REPRESENTATIVES SEABAUGH, ARNOLD, BARRAS, BERTHELOT, STUART BISHOP, BROWN, BURFORD, CARMODY, CHAMPAGNE, CONNICK, DANAHAY, GAROFALO, GEYMANN, GREENE, HARRIS, HARRISON, HAVARD, HENRY, HODGES, HOLLIS, HOWARD, LAMBERT, NANCY LANDRY, LEOPOLD, MILLER, JAY MORRIS, JIM MORRIS, POPE, PUGH, PYLANT, REYNOLDS, RICHARD, ROBIDEAUX, SCHEXNAYDER, SCHRODER, TALBOT, AND THOMPSON

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

BUDGETARY CONTROLS: (Constitutional Amendment) Provides relative to the budget process

1	A JOINT RESOLUTION
2	Proposing to amend Article III, Section 16(A) and Article VII, Sections 10(B), (D)(1), and
3	(E) and 11(A) and to add Article VII, Section 10(D)(4) of the Constitution of
4	Louisiana, to provide relative to the budget process; to provide for appropriations;
5	to provide for the powers, duties, and functions of the Revenue Estimating
6	Conference; to require certain contents in the budget estimate; to provide for
7	submission of the proposed amendment to the electors; and to provide for related
8	matters.
9	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
10	elected to each house concurring, that there shall be submitted to the electors of the state of
11	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
12	amend Article III, Section 16(A) of the Constitution of Louisiana, to read as follows:
13	§16. Appropriations
14	Section 16.(A) Specific Appropriation for One Year. Except as otherwise
15	provided by this constitution, no money shall be withdrawn from the state treasury
16	except through specific appropriation, and no appropriation shall be made under the

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1	heading of contingencies or for longer than one year, and no contingent
2	appropriation shall be made.
3	* * *
4	Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members
5	elected to each house concurring, that there shall be submitted to the electors of the state of
6	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
7	amend Article VII, Sections 10(B), (D)(1), and (E) and 11(A) and to add Article VII, Section
8	10(D)(4) of the Constitution of Louisiana, to read as follows:
9	\$10. Expenditure of State Funds
10	Section 10.
11	* * *
12	(B) Official Forecast. The conference shall prepare and publish initial and
13	revised estimates of money to be received by the state general fund and each
14	dedicated funds fund for the current and next fiscal years which are available for
15	appropriation. Except for money that is not required to be deposited in the state
16	treasury and that which is excluded from the definition of state general funds, each
17	estimate of money to be received shall include all money that supports
18	appropriations in the executive budget, general appropriation bill, capital outlay bill,
19	and any other bill or bills that raise additional revenue as provided in Section 11 of
20	this Article or that provide financing. To the extent that money supporting such
21	appropriations consists of the balance in any fund, the conference estimate of such
22	balance shall be certified by the treasurer. In each estimate, the conference shall
23	designate as either recurring or nonrecurring all of the money in the estimate,
24	including money to be received by each fund. which is recurring and which is
25	nonrecurring. All conference decisions to adopt these estimates shall be by
26	unanimous vote of its members. Changes to the unanimous vote requirement shall
27	be made by law enacted by a favorable vote of two-thirds of the elected members of
28	each house. The most recently adopted estimate of money available for
29	appropriation shall be the official forecast. The conference may designate other

1	money as nonrecurring, but shall use the definition of nonrecurring as provided for
2	in law to determine the designation of money in the official forecast as either
3	recurring or nonrecurring.
4	* * *
5	(D) Appropriations. (1) Except as otherwise provided by this constitution,
6	money shall be drawn from the state treasury only pursuant to an appropriation made
7	in accordance with law. Appropriations from the state general fund and dedicated
8	funds except funds allocated by Article VII, Section 4, Paragraphs (D) and (E) shall
9	not exceed the expenditure limit for the fiscal year. Monies from state general fund
10	and dedicated funds as defined in Paragraph (J) of this Section shall not be available
11	for appropriation unless included in the official forecast.
12	* * *
13	(4) Except as otherwise provided in this constitution, including Paragraph
14	(F) of this Section, the amount appropriated out of any fund shall not exceed the
15	official forecast by the Revenue Estimating Conference of money available for
16	appropriation from that fund for that fiscal year.
17	(E) Balanced Budget. Appropriations by the legislature from the state
18	general fund and dedicated funds for any fiscal year except funds allocated by
19	Article VII, Section 4, Paragraphs (D) and (E) shall not exceed the official forecast
20	in effect for each fund at the time the appropriations are made.
21	* * *
22	§11. Budgets
23	Section 11.(A) Budget Estimate. The governor shall submit to the
24	legislature, at the time and in the form fixed by law, a budget estimate for the next
25	fiscal year setting forth all proposed state expenditures. This budget shall include
26	a recommendation for appropriations from the state general fund and from dedicated
27	funds, except funds allocated by Article VII, Section 4, Paragraphs (D) and (E),
28	which shall not exceed the official forecast of the Revenue Estimating Conference
29	and the expenditure limit for the fiscal year. The recommendation shall not contain

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1	any recommendation for a contingent appropriation or any recommendation for
2	appropriations of money designated as nonrecurring for purposes other than those
3	specifically authorized by Article VII, Section 10(D)(2). The recommendation shall
4	also comply with the provisions of Article VII, Section 10(D). This budget shall
5	include a recommendation for funding of state salary supplements for full-time law
6	enforcement and fire protection officers of the state, as provided in Article VII,
7	Section 10(D)(3) of this constitution.
8	* * *
9	Section 3.(A) Be it further resolved that this proposed amendment shall be submitted
10	to the electors of the state of Louisiana at the statewide election to be held on November 4,
11	2014.
12	(B) Be it further resolved, that notwithstanding the provisions of Paragraph (A) of
13	this Section, this proposed amendment shall not be submitted to the electors of the state of
14	Louisiana unless the proposed amendments of the Constitution of Louisiana contained in the
15	Joint Resolutions which originated as House Bill Nos. 434 and 436 of this 2013 Regular
16	Session of the Legislature are concurred in by both houses of the legislature and the bills
17	which originated as House Bill Nos. 1, 437, 456, 474, 571, 620, 653, and 696 of this 2013
18	Regular Session of the Legislature are enacted into law.
19	Section 4. Be it further resolved that on the official ballot to be used at the election,
20	there shall be printed a proposition, upon which the electors of the state shall be permitted
21	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
22	follows:
23	Do you support an amendment which provides that: (1) funds shall not be
24	available for appropriation unless the funds are included in the official
25	forecast of the Revenue Estimating Conference; (2) appropriations shall not
26	exceed the state's official forecast of revenues; (3) appropriations shall not
27	be contingent or use nonrecurring monies for recurring expenditures; (4) the
28	Revenue Estimating Conference shall designate revenues as recurring or
29	nonrecurring; and (5) nonrecurring funds shall be used only for those

1	expenditures authorized by the constitution? (Amends Article III, Section
2	16(A) and Article VII, Sections 10(B), (D)(1), and (E) and 11(A); Adds
3	Article VII, Section 10(D)(4))

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)]

Seabaugh

HB No. 435

Abstract: Provides for the role of the Revenue Estimating Conference in the expenditure of state funds, including determining what money is defined as nonrecurring. Provides that funds shall not be available for appropriation unless included in the official forecast. Provides that appropriations shall not exceed the official forecast. Provides that the Revenue Estimating Conference shall use the definition of nonrecurring revenues as provided in law in determining whether revenues are recurring or nonrecurring. Provides that the treasurer shall certify fund balances used in appropriations. Provides that the governor's budget recommendation shall not contain contingent appropriations or use nonrecurring revenues for purposes other than those specifically authorized by the constitution.

APPROPRIATIONS

<u>Present constitution</u> provides that no money shall be withdrawn from the state treasury except through specific appropriation and no appropriation shall be made under the heading of contingencies for longer than one year. <u>Proposed constitutional amendment</u> clarifies that no contingent appropriation shall be made.

EXPENDITURE OF STATE FUNDS

<u>Present constitution</u> sets forth requirements relative to the expenditure of state funds and establishes the Revenue Estimating Conference (REC) to prepare and publish initial and revised estimates of money to be received by the state general fund and dedicated funds for the current and next fiscal years which are available for appropriation, the most recent of which is called the official forecast. In each estimate, the REC must also designate money as either recurring or nonrecurring. <u>Proposed constitutional amendment</u> retains <u>present constitution</u> and specifies that the REC must designate as recurring or nonrecurring money to be received by each fund and provides that the REC shall use the definition of nonrecurring revenue as provided in law in determining which revenues in the official estimate are recurring and nonrecurring. <u>Proposed constitutional amendment</u> provides that the state treasurer shall certify fund balances used in appropriations.

<u>Present constitution</u> provides that money shall be drawn from the state treasury only pursuant to an appropriation made in accordance with law and that appropriations from state general fund and dedicated funds shall not exceed the expenditure limit. <u>Proposed constitutional amendment</u> provides that funds (other than federal, self-generated by higher education institutions, and interagency transfers) shall not be available for appropriation unless included in the REC's official forecast. <u>Proposed constitutional amendment</u> further specifies that unless otherwise provided in the constitution, the amount appropriated out of any fund shall not exceed the official forecast of money available for appropriation from that fund.

BUDGETS

<u>Present constitution</u> requires the governor to submit to the legislature a budget estimate for the next fiscal year setting forth all proposed state expenditures. This budget shall include a recommendation for appropriations from the state general fund and from dedicated funds which shall not exceed the REC's official forecast or the expenditure limit for that year. <u>Proposed constitutional amendment</u> retains the <u>present constitution</u> and prohibits including in the budget estimate any recommendation for a contingent appropriation or an appropriation from nonrecurring money, except as authorized by <u>present constitution</u>.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

Further provides that this <u>proposed constitutional amendment</u> shall not be submitted to the electors of this state unless HB Nos. 434, 435, and 436 are concurred in by both houses of the legislature, and unless HB Nos. 1, 456, 474, 571, 620, 653, and 696 of the 2012 Regular Session of the Legislature are enacted into law.

(Amends Art. III, § 16(A) and Art. VII, §10(B), (D)(1), and (E) and 11(A); Adds Art. VII, §10(D)(4))

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

- 1. Provides that each Revenue Estimating Conference estimate of money to be received in the state treasury for appropriation shall include all money that supports appropriations in the executive budget, general appropriation bill, capital outlay bill, and any other bill or bills that raise revenue. Further provides that the state treasurer shall certify fund balances used for appropriations.
- 2. Provides that the conference shall use the definition of nonrecurring revenue as provided in law in determining which revenues in the official estimate are recurring and nonrecurring.
- 3. Provides that this <u>proposed constitutional amendment</u> shall not be submitted to the electors of this state unless HB Nos. 434, 435, and 436 are concurred in by both houses of the legislature, and unless HB Nos. 1, 456, 474, 571, 620, 653, and 696 of the 2012 Regular Session of the Legislature are enacted into law.