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## DIGEST

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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

Present constitution provides that no money shall be withdrawn from the state treasury except through specific appropriation and no appropriation shall be made under the heading of contingencies for longer than one year.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

### EXPENDITURE OF STATE FUNDS

Present constitution 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. Proposed constitutional amendment retains present constitution 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. Proposed constitutional amendment provides that the state treasurer shall certify fund balances used in appropriations.

Present constitution 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. Proposed constitutional amendment 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. Proposed constitutional amendment 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

Present constitution 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. Proposed constitutional amendment retains the present constitution and prohibits including in the budget estimate any recommendation for a contingent appropriation or an appropriation from nonrecurring money, except as authorized by present constitution.

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

Further provides that this proposed constitutional amendment 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 proposed constitutional amendment 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.