

2018 First Extraordinary Session

HOUSE BILL NO. 15

BY REPRESENTATIVE BARRAS

BUDGETARY CONTROLS: (Constitutional Amendment) Provides for changes in the expenditure limit calculation (Item #12)

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A JOINT RESOLUTION

Proposing to amend and reenact Article VII, Section 10(C)(1) of the Constitution of Louisiana and to repeal Article VII, Section 10.3(A)(1) of the Constitution of Louisiana, relative to the expenditure limit; to change the method of determining the expenditure limit; to provide for the determination of the growth factor of the expenditure limit; to cap the growth of the expenditure limit; to eliminate required uses of monies in excess of the expenditure limit; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 10(C)(1) of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

\* \* \*

(C) Expenditure Limit. (1) The legislature shall provide for the determination of an expenditure limit for each fiscal year to be established during the first quarter of the calendar year for the next fiscal year. However, the expenditure limit for the 1991-1992 Fiscal Year shall be the actual appropriations from the state general fund and dedicated funds for that year except funds allocated by Article VII,

1 Section 4, Paragraphs (D) and (E). For subsequent fiscal years, the limit shall not  
 2 exceed the ~~expenditure limit~~ amount appropriated from the state general fund and  
 3 dedicated funds for the current fiscal year plus an amount equal to that ~~limit~~  
 4 appropriated amount times a positive growth factor. The ~~growth factor is the average~~  
 5 ~~annual percentage rate of change of personal income for Louisiana as defined and~~  
 6 ~~reported by the United States Department of Commerce for the three calendar years~~  
 7 ~~prior to the fiscal year for which the limit is calculated~~ legislature by law shall  
 8 establish a procedure to determine the growth factor, which shall not exceed six  
 9 percent. Any law establishing a procedure to determine the growth factor, once  
 10 enacted, shall not be changed except by specific legislative instrument which  
 11 received a favorable vote of two-thirds of the elected members of each house of the  
 12 legislature.

\* \* \*

14 Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
 15 elected to each house concurring, that there shall be submitted to the electors of the state of  
 16 Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal  
 17 Article VII, Section 10.3(A)(1) of the Constitution of Louisiana.

18 Section 3. Be it further resolved that this proposed amendment shall be submitted  
 19 to the electors of the state of Louisiana at the statewide election to be held on November 6,  
 20 2018.

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

25 Do you support an amendment to change the base for determining the next  
 26 fiscal year's expenditure limit, to cap the annual growth of the expenditure  
 27 limit, to change the use of money in excess of the expenditure limit, and to  
 28 allow the legislature to establish in law the method of determining the

1 expenditure limit? (Amends Article VII, Section 10(C)(1), Repeals Article  
 2 VII, Section 10.3(A)(1))

### 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 15 Engrossed

2018 First Extraordinary Session

Barras

**Abstract:** Ties the next year's expenditure limit to current year expenditures, caps the annual growth factor of the expenditure limit to 6%, allows the growth factor to be established by law that requires 2/3 vote of each house of the legislature to change, and deletes the requirement that money in excess of the expenditure limit be deposited into the Budget Stabilization Fund.

Present constitution provides for the determination of the expenditure limit for the next fiscal year to be determined in the first quarter of the calendar year for the current fiscal year. The expenditure limit for the next fiscal year is based on the expenditure limit for the current fiscal year multiplied by a growth factor based on the change of personal income in the state.

Proposed constitutional amendment changes the base for determining the next year's expenditure limit from the current year expenditure limit to current year appropriations out of the state general fund and dedicated funds.

Present constitution defines the growth factor as 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 removes the definition of the growth factor in present constitution and instead requires the legislature to establish a procedure to determine the growth factor, which shall not exceed 6%. Once established, the growth factor shall not be changed except by specific legislative instrument receiving a favorable 2/3 vote of the elected members of each house of the legislature.

Present constitution requires that money available for appropriation from the state general fund and dedicated funds in excess of the expenditure limit be deposited into the Budget Stabilization Fund.

Proposed constitutional amendment repeals present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2018.

(Amends Const. Art. VII, §10(C)(1); Repeals Const. Art. VII, §10.3(A)(1))

#### Summary of Amendments Adopted by House

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

1. Correct ballot language.