

1 shall be the actual appropriations from the state general fund and dedicated funds for
2 that year except funds allocated by Article VII, Section 4, Paragraphs (D) and (E).
3 For subsequent fiscal years, the limit shall not exceed the expenditure limit for the
4 current fiscal year plus an amount equal to that limit times a positive growth factor.
5 The growth factor is the average annual percentage rate of change of personal
6 income for Louisiana as defined and reported by the United States Department of
7 Commerce for the three calendar years prior to the fiscal year for which the limit is
8 calculated.

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

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

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

21 (2) Government Growth Limit. (a) Beginning with a limit for the 2025-
22 2026 fiscal year, there shall be a limit for each fiscal year above which appropriation
23 of recurring revenue from the state general fund and dedicated funds can only be
24 made for the purposes provided in this Subparagraph. Such limit shall be known as
25 the Government Growth Limit and shall be established by the Revenue Estimating
26 Conference no later than the first quarter of the calendar year for the next fiscal year.
27 The legislature shall establish procedures by law for the calculation of such limit.

28 (b) Notwithstanding any provision of this Subparagraph, if the Government
29 Growth Limit calculated for any fiscal year exceeds the expenditure limit calculated

1 for the same fiscal year, the Government Growth Limit shall be set equal to the
2 expenditure limit. If the legislature alters the expenditure limit in a fiscal year and
3 the resulting limit is lower than the Government Growth Limit for that fiscal year,
4 the Government Growth Limit for that fiscal year shall automatically be lowered to
5 equal the limit set by the legislature for the expenditure limit.

6 (c) Recurring revenue amounts recognized in the official forecast above the
7 Government Growth Limit and below the expenditure limit may be appropriated
8 only for nonrecurring expenses. For the purposes of this Item, the term
9 "nonrecurring expense" means an expense that is not of a continuing or recurring
10 character and that in the normal course of administration is not expected to be
11 necessary in approximately the same amounts each year.

12 (d) The limit calculated pursuant to the provisions of this Subparagraph shall
13 not apply to the appropriation of funds from the Budget Stabilization Fund
14 incorporated into the official forecast for the current fiscal year.

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

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

23 * * *

24 (E) Balanced Budget. Appropriations ~~by the legislature~~ from the state
25 general fund and dedicated funds for any fiscal ~~year year~~, except funds allocated by
26 Article VII, Section 4, Paragraphs (D) and (E), shall not exceed the official forecast
27 in effect at the time the appropriations are made. Appropriations of recurring
28 revenue from the state general fund and dedicated funds, shall comply with the
29 provisions of Subparagraph (C)(2) of this Section.

30 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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. Notwithstanding any provision of this Act to the contrary, the
15 Government Growth Limit for the 2025-2026 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 and
18 dedicated funds for the immediately prior fiscal year; however, the base shall not include any
19 appropriation or allocation excluded from analysis of appropriation totals in relation to the
20 expenditure limit. The commissioner of administration shall cause the limit for Fiscal Year
21 2025-2026 to be calculated pursuant to the provisions of this Section and shall submit such
22 limit to the Joint Legislative Committee on the Budget no later than January 31, 2025.

23 Section 3. Be it further resolved that this proposed amendment shall be submitted
24 to the electors of the state of Louisiana at the statewide election to be held on March 29,
25 2025.

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

1 Do you support an amendment to require the legislature to establish a
 2 procedure for the calculation of a limit to restrict any increase in the amount
 3 of recurring revenue the legislature may appropriate from state general fund
 4 and dedicated funds in any fiscal year; to provide restrictions on use of
 5 monies available for appropriation in excess of such limit; to authorize
 6 exceptions to the limit in certain circumstances; and to require the governor's
 7 proposed budget each year to conform to such limit? (Amends Article VII,
 8 Sections 10(C) and (E) and 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)]

HB 14 Engrossed

2024 Third Extraordinary Session

Geymann

Abstract: Beginning with Fiscal Year 2025-2026, 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.

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 2025-2026 and for each fiscal year thereafter. Except in certain limited circumstances provided in proposed constitutional amendment, prohibits spending of recurring revenues above such limit. 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 constitutional amendment 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.

Proposed constitution 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 proposed constitutional amendment, 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.

Proposed constitutional amendment 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.

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.

Present constitution 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. 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 2025-2026) as equal to the appropriations for recurring expenses from the state general fund and dedicated funds for Fiscal Year 2024-2025 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, 2025.

Provides for submission of the proposed amendment to the voters at the statewide election to be held March 29, 2025.

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

Summary of Amendments Adopted by House

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

1. Change implementation of growth limit from FY 2026-2027 to FY 2025-2026.
2. Delete requirement that REC establish the growth limit for the next fiscal year during the first quarter of the calendar year. Instead requires REC to establish such limit no later than the first quarter of the calendar year.
3. Delete authorization for the legislature to change a growth limit if the growth factor for the two fiscal years preceding the year to be changed was two percent or less. Adds authorization for the legislature to change a growth limit if the growth factor for any of the three preceding fiscal years was two and one-half percent or less.
4. Add provision requiring commissioner of administration to calculate the initial growth limit (for FY 2025-2026) pursuant to the provisions of proposed law and to submit such limit to the Joint Legislative Committee on the Budget no later than Jan. 31, 2025.