

Regular Session, 2012

HOUSE BILL NO. 265

BY REPRESENTATIVE JIM MORRIS

BUDGETARY CONTROLS: (Constitutional Amendment) Provides with respect to the expenditure limit

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10(C) of the Constitution of Louisiana, to provide
3 with respect to the expenditure limit; to provide for source of data used in calculating
4 the growth factor; to provide for the manner in which the expenditure limit may be
5 changed; to eliminate out-dated references; to provide for submission of the
6 proposed amendment to the electors; and to provide for related matters.

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

11 §10. Expenditure of State Funds

12 Section 10.

13 * * *

14 (C) Expenditure Limit. (1) The legislature shall provide for the determination
15 of an expenditure limit for each fiscal year to be established during the first quarter
16 of the calendar year for the next fiscal year. ~~However, the expenditure limit for the~~
17 ~~1991-1992 Fiscal Year shall be the actual appropriations from the state general fund~~
18 ~~and dedicated funds for that year except funds allocated by Article VII, Section 4,~~
19 ~~Paragraphs (D) and (E). For subsequent fiscal years, the The limit shall not exceed~~
20 the expenditure limit for the current fiscal year plus an amount equal to that limit

1 times a positive growth factor. The growth factor is the average annual percentage
2 rate of change of personal income for Louisiana as defined and reported by the
3 Bureau of Economic Analysis, United States Department of Commerce for the three
4 calendar years prior to the fiscal year for which the limit is calculated.

5 (2) The expenditure limit may be changed in any fiscal year by a favorable
6 vote of two-thirds of the elected members of each house. Any such change in the
7 expenditure limit shall be approved by passage of a specific legislative instrument
8 which clearly states the intent to change the limit and specifies the amount of the
9 expenditure limit.

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

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

18 Section 2. 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 2012.

21 Section 3. 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 FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
24 read as follows:

25 Do you support an amendment to specify the U.S. Bureau of Economic
26 Analysis as the source of data used, in part, to determine the state's
27 expenditure limit, to require the amount of the expenditure limit be specified
28 in any legislative instrument to change the limit, and to eliminate out-dated

1 language regarding the expenditure limit? (Amends Article VII, Section
2 10(C))

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)]

Jim Morris

HB No. 265

Abstract: Proposes changes to the constitutional provision on the expenditure limit and growth factor.

Present constitution requires the legislature to determine a limitation on the amount of funds which can be appropriated in any given fiscal year from the state general fund and dedicated funds. The limit cannot exceed the expenditure limit for the current fiscal year, plus an amount equal to that limit times a positive growth factor. Proposed constitutional amendment retains present constitution.

Present constitution provides that the growth factor is the average annual percentage rate of change of personal income for La., as reported by the U.S. Dept. of Commerce for the three calendar years prior to the fiscal year for which the limit is being calculated. Proposed constitutional amendment retains present constitution and specifies that the reporting agency is the Bureau of Economic Analysis within the U.S. Dept. of Commerce.

Present constitution allows the legislature to change the expenditure limit by 2/3 vote and provides that such change has to be approved by passage of a specific legislative instrument which clearly states the intent to change the limit. Proposed constitutional amendment retains present constitution and further requires that the instrument specify the amount of the expenditure limit.

Present constitution provides for the establishment of the expenditure limit during specified years in the 1990's. Proposed constitutional amendment eliminates these now obsolete provisions.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2012.

(Amends Art. VII, §10(C))