

2020 Regular Session

HOUSE BILL NO. 269

BY REPRESENTATIVE GARY CARTER

FUNDS/FUNDING: Allows for the use of the Budget Stabilization Fund for state costs associated with a federally declared disaster

1 AN ACT

2 To amend and reenact R.S. 39:94(C)(3) and (4) and to enact R.S. 39:73(D) and 94(A)(5) and

3 (C)(5), relative to the Budget Stabilization Fund; to provide for the uses of the fund;

4 to provide for limits on the use of the fund; to provide for the incorporation of a

5 certain amount of the fund in the official forecast for costs incurred by the state

6 associated with a federally declared disaster; to provide for deposit of certain monies

7 into the fund; to provide for allotment and expenditure of the amount incorporated

8 into the official forecast; to provide certain limitations and requirements; to provide

9 for effectiveness; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 39:94(C)(3) and (4) are hereby amended and reenacted and R.S.
12 39:73(D) and 94(A)(5) and (C)(5) are hereby enacted to read as follows:

13 §73. Allotments to govern expenditures; transfers of allotments

14 * * *

15 D. If the Revenue Estimating Conference incorporates an amount of the

16 Budget Stabilization Fund into the official forecast because of a federally declared

17 disaster pursuant to R.S. 39:94(C)(3), the increase in revenues shall be available for

18 allotment and expenditure by an agency on approval of an increase in the

19 appropriation to the agency by the commissioner of administration and the Joint

20 Legislative Committee on the Budget. The amount available to the agency shall be

1 equal to the amount specified in the resolution or ballot used for the required consent
2 of the elected members of each house pursuant to R.S. 39:94(C)(3)(c) and shall not
3 exceed the amount of costs incurred by the agency associated with the disaster.

4 * * *

5 §94. Budget Stabilization Fund

6 A. There is hereby created in the state treasury a special fund to be
7 designated as the Budget Stabilization Fund, hereafter referred to in this Section as
8 the "fund", which shall consist of all money deposited into the fund in accordance
9 with Article VII, Section 10.3 of the Constitution of Louisiana. Money shall be
10 deposited in the fund as follows:

11 * * *

12 (5) Money received by the state from the federal government for the
13 reimbursement of costs associated with a federally declared disaster, not to exceed
14 the amount of costs appropriated out of the fund for the same disaster pursuant to
15 Paragraph (C)(3) of this Section.

16 * * *

17 C. The money in the fund shall not be available for appropriation except
18 under the following conditions:

19 * * *

20 (3)(a) If there is a disaster in the state that is declared a disaster by the
21 federal government, the Revenue Estimating Conference shall incorporate a specified
22 amount of the fund into the official forecast for the year in which the state incurs
23 costs associated with the disaster pursuant to a concurrent resolution adopted by a
24 favorable vote of two-thirds of the elected members of each house.

25 (b) If the legislature is not in session, the two-thirds consent requirement
26 shall be obtained as provided in R.S. 39:87.

27 (c) The resolution or ballot used for the required consent of the elected
28 members of each house shall specify the amount of the fund that will be available for
29 allotment and expenditure by each agency. The amount specified to be received by

1 an agency shall not exceed the amount of costs incurred by the agency associated
2 with the disaster.

3 (d) The amount of the fund that may be incorporated into the official forecast
4 of the Revenue Estimating Conference for the year in which the state incurs costs
5 associated with the disaster shall not exceed either of the following:

6 (i) The costs incurred by the state associated with the disaster.

7 (ii) One-third of the fund balance, determined in accordance with R.S. 39:95,
8 at the beginning of the current fiscal year.

9 ~~(3)~~ (4) In no event shall the amount included in the official forecast for the
10 ensuing fiscal year pursuant to Paragraph (1) of this Subsection plus the amount
11 included in the official forecast in the current fiscal year pursuant to Paragraph (2)
12 of this Subsection, plus the amount included in the official forecast pursuant to
13 Paragraph (3) of this Subsection, exceed one-third of the fund balance, determined
14 in accordance with R.S. 39:95, at the beginning of the current fiscal year.

15 ~~(4)(a)~~ (5) No appropriation or deposit to the fund shall be made if such
16 appropriation or deposit would cause the balance in the fund to exceed four percent
17 of total state revenue receipts for the previous fiscal year. For the purposes of this
18 Section, total state revenue receipts shall not include any monies received by the
19 state from the Federal Emergency Management Agency or other sources providing
20 disaster relief assistance.

21 ~~(b) Notwithstanding any provision of this Section to the contrary, except~~
22 ~~pursuant to a specific appropriation by the legislature, Paragraph (A)(1) of this~~
23 ~~Section, or the annual deposit required by Paragraph (A)(3) of this Section, no~~
24 ~~appropriation or deposit to the fund shall be made in the same fiscal year as an~~
25 ~~appropriation, use or withdrawal is made from the fund or until such time as the~~
26 ~~official forecast exceeds the actual collections of state general fund (direct) revenue~~
27 ~~for Fiscal Year 2008. The provisions of this Subparagraph shall be null, void, and of~~
28 ~~no effect on July 1, 2017.~~

1 Section 2. This Act shall take effect and become operative if and when the proposed
2 amendment of Article VII of the Constitution of Louisiana contained in the Act which
3 originated as House Bill No. 267 of this 2020 Regular Session of the Legislature is adopted
4 at a statewide election and becomes effective.

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 269 Engrossed

2020 Regular Session

Gary Carter

Abstract: Authorizes the use of the Budget Stabilization Fund, also known as the Rainy Day Fund, for state costs associated with a federally declared disaster.

Present law establishes the Budget Stabilization Fund and provides for various deposits into the fund including 25% of any nonrecurring revenues and mineral revenues collected by the state over a base amount of \$750 million. Further authorizes the legislature to increase the base amount every 10 years. Increases provided for in present law in 2004 and 2015 have increased the base amount to \$950 million.

Present law provides for the fund to be used only under the following conditions, after consent of 2/3 of the legislature:

- (1) If the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year, the difference, not to exceed 1/3 of the fund shall be incorporated into the next year's official forecast.
- (2) If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to 1/3 of the fund not to exceed the projected deficit may be appropriated.

Proposed law retains present law and adds the deposit of federal funds received by the state for the reimbursement of disaster costs, not to exceed the amount of costs appropriated out of the fund for the same disaster pursuant to proposed law.

Proposed law further provides for the use of the fund in the current fiscal year for the state costs associated with a federally declared disaster, not to exceed an amount equal to 1/3 of the fund, after the consent of 2/3 of the elected members of the legislature. Further requires the resolution or ballot used for the required consent of the legislature to specify the amount of the fund that will be available for each state agency.

Present law prohibits the amount included in the official forecast for the next fiscal year and the amount appropriated for the current fiscal year from exceeding 1/3 of the fund balance at the beginning of the current fiscal year. Proposed law prohibits the combined amount of the fund incorporated in the official forecast in the next fiscal year, in the current fiscal year, and as a result of a federally declared disaster, from exceeding 1/3 of the balance at the beginning of the current fiscal year.

Proposed law provides that if the Revenue Estimating Conference incorporates an amount of the Budget Stabilization Fund into the official forecast because of a federally declared disaster pursuant to proposed law, the increase in revenues shall be available for allotment and expenditure by an agency on approval of an increase in the appropriation to the agency

by the commissioner of administration and the Joint Legislative Committee on the Budget. Provides that the amount available to the agency shall be equal to the amount specified in the resolution or ballot used for the required consent of the elected members of each house pursuant to present law and shall not exceed the amount of costs incurred by the agency associated with the disaster.

Proposed law repeals provisions that became null, void, and of no effect on July 1, 2017.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 267 of this 2020 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:94(C)(3) and (4); Adds R.S. 39:73(D) and 94(A)(5) and (C)(5))

Summary of Amendments Adopted by House

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

1. Make technical changes.