

Regular Session, 2012

HOUSE BILL NO. 546

BY REPRESENTATIVE GEYMANN

BUDGETARY PROCEDURES: (Constitutional Amendment) Provides relative to the budget process

1 A JOINT RESOLUTION

2 Proposing to amend Article III, Section 16(A) through (D) and Article VII, Sections 10(B)
3 and (E) and 11(A) and (B) and to add Article VII, Section 10(D)(4) of the
4 Constitution of Louisiana, to provide relative to the budget process; to require certain
5 contents in the budget estimate; to provide for the powers, duties, and functions of
6 the Revenue Estimating Conference; to provide for the contents of the general
7 appropriation bill and other appropriation bills; to provide relative to legislative
8 appropriation procedures; to provide for submission of the proposed amendment to
9 the electors; and to provide for related matters.

10 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
11 elected to each house concurring, that there shall be submitted to the electors of the state of
12 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
13 amend Article III, Section 16(A) through (D) of the Constitution of Louisiana, to read as
14 follows:

15 §16. Appropriations

16 Section 16.(A) Specific Appropriation for One Year. Except as otherwise
17 provided by this constitution, no money shall be withdrawn from the state treasury
18 except through specific appropriation, ~~and no appropriation shall be made under the~~
19 ~~heading of contingencies or for longer than one year, and no contingent~~
20 appropriation shall be made.

1 (B) Origin in House of Representatives. (1) All bills for raising revenue or
2 appropriating money shall originate in the House of Representatives, but the Senate
3 may propose or concur in amendments, as in other bills.

4 (2) No bill for appropriating money may be received by the Senate, no
5 amendment to such a bill may be concurred in by the House of Representatives, and
6 no conference committee report concerning such a bill adopted by either house of the
7 legislature, except after separate certification by the Revenue Estimating Conference
8 that the bill contains no appropriation of nonrecurring money for any purpose other
9 than those specifically authorized in Article VII, Section 10(D)(2), contains no
10 contingent appropriation, and would not cause appropriations by the legislature to
11 exceed the expenditure limit or the official forecast in effect at the time the
12 appropriations are made. The conference decision to certify shall be by unanimous
13 vote of its members. The legislature by law shall establish a procedure to change the
14 unanimous vote requirement for certification. The law establishing such a
15 procedure, once enacted, shall not be changed except by specific legislative
16 instrument which receives a favorable vote of at least two-thirds of the elected
17 members of each house of the legislature.

18 (C) General Appropriation Bill; Limitations; Priorities. The general
19 appropriation bill shall be itemized and shall contain only appropriations for the
20 ordinary operating expenses of the executive branch of state government, public
21 charities, pensions, and the public debt or interest thereon. Appropriations to
22 political subdivisions and to public charities, except those authorized by this
23 constitution or by statute, shall not be included in the general appropriation bill
24 unless such bill includes appropriations from the state general fund for both higher
25 education and for health care for the next fiscal year in amounts equal to or greater
26 than the amounts appropriated for higher education and for health care in the most
27 recently enacted general appropriation bill.

28 (D) Other Appropriation Bills; Specific Purpose and Amount.

1 (D) Appropriations.

2 * * *

3 (4) Except as otherwise provided in this constitution, including Paragraph
4 (F) of this Section, the amount appropriated out of any fund shall not exceed the
5 official forecast by the Revenue Estimating Conference of money available for
6 appropriation from that fund for that fiscal year.

7 * * *

8 (E) Balanced Budget. Appropriations by the legislature from the state
9 general fund and dedicated funds for any fiscal year except funds allocated by
10 Article VII, Section 4, Paragraphs (D) and (E) shall not exceed the official forecast
11 in effect for each fund at the time the appropriations are made.

12 * * *

13 §11. Budgets

14 Section 11.(A) Budget Estimate. The governor shall submit to the
15 legislature, at the time and in the form fixed by law, a budget estimate for the next
16 fiscal year setting forth all proposed state expenditures. This budget shall include
17 a recommendation for appropriations from the state general fund and from dedicated
18 funds, except funds allocated by Article VII, Section 4, Paragraphs (D) and (E),
19 which shall not exceed the official forecast of the Revenue Estimating Conference
20 and the expenditure limit for the fiscal year. The recommendation shall not contain
21 any recommendation for a contingent appropriation or any recommendation for
22 appropriations of money designated as nonrecurring for purposes other than those
23 specifically authorized by Article VII, Section 10(D)(2). The recommendation shall
24 also comply with the provisions of Article VII, Section 10(D). This budget shall
25 include a recommendation for funding of state salary supplements for full-time law
26 enforcement and fire protection officers of the state, as provided in Article VII,
27 Section 10(D)(3) of this constitution. This budget shall include a statement of
28 precertification adopted by the Revenue Estimating Conference as required by
29 Article VII, Section 10(B)(2). This budget shall include a statement of the

1 determination adopted by the Revenue Estimating Conference as required by Article
2 VII, Section 10(B)(3).

3 (B) Operating Budget. The governor shall cause to be submitted a general
4 appropriation bill for proposed ordinary operating expenditures which shall be
5 balanced and in conformity with the recommendations for appropriations contained
6 in the budget estimate. The governor may cause to be submitted a bill or bills for
7 appropriations to political subdivisions and to public charities, which shall be in
8 conformity with the recommendations for appropriations contained in the budget
9 estimate, when such appropriations are prohibited by Article III, Section 16(C) from
10 being contained in the general appropriation bill. The governor may cause to be
11 submitted a bill or bills to raise additional revenues with proposals for the use of
12 these revenues.

13 * * *

14 Section 2. Be it further resolved that this proposed amendment shall be submitted
15 to the electors of the state of Louisiana at the statewide election to be held on November 6,
16 2012.

17 Section 3. Be it further resolved that on the official ballot to be used at the election,
18 there shall be printed a proposition, upon which the electors of the state shall be permitted
19 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
20 follows:

21 Do you support an amendment to change the manner in which state revenue
22 is budgeted and appropriated by requiring that the Revenue Estimating
23 Conference certify that neither the governor's budget nor a legislative
24 appropriation contains any nonrecurring money except as specifically
25 provided by law, contain any contingent appropriation, exceed the
26 expenditure limit, or exceed the official forecast for the next fiscal year; and,
27 in those years when the budget proposes a decrease in appropriations to
28 higher education and health care, to preclude the general appropriations bill
29 from including any appropriation to a political subdivision or any public

1 charity, except if authorized by law, but rather requiring that any such
 2 appropriation be included in a separate bill which, along with all other
 3 appropriation bills, cannot be passed by the legislature prior to passage of the
 4 general appropriation bill; and, to prohibit an appropriation out of any fund
 5 that would exceed the official forecast for that fund; and, to require that the
 6 Revenue Estimating Conference review each dedicated fund in addition to
 7 state general fund to determine if its available money is recurring or
 8 nonrecurring; and, to provide a definition of nonrecurring revenue that
 9 includes fund money remaining from previous years and money from one-
 10 time transactions such as court settlements, the sale of state facilities, or the
 11 privatization of state operations? (Amends Article III, Section 16(A) through
 12 (D) and Article VII, Sections 10(B) and (E) and 11(A) and (B); Adds Article
 13 VII, Section 10(D)(4))

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)]

Geymann

HB No. 546

Abstract: Changes the manner in which state revenue is budgeted and appropriated. Requires budget precertification and certification of appropriations by the Revenue Estimating Conference (REC) and with respect to the vote requirement for such determinations; requires a determination of funding levels and priorities, requires a separate appropriations bill under certain conditions, and requires the general appropriation bill be passed prior to other appropriations bills. Provides for the role of the REC in the expenditure of state funds, including determining what money is defined as nonrecurring.

BUDGET PRECERTIFICATION

Present constitution requires the governor to submit to the legislature a budget estimate for the next fiscal year setting forth all proposed state expenditures. The budget must include a recommendation for appropriations from the state general fund and from dedicated funds which do not exceed the official forecast of the Revenue Estimating Conference (REC). Proposed constitutional amendment retains this present constitutional provision and prohibits including in the budget estimate any recommendation for a contingent appropriation or an appropriation from nonrecurring money, except as authorized by the constitution. Proposed constitutional amendment also adds that the governor's budget estimate must first be submitted to the REC which shall review and precertify that the governor's budget estimate is balanced, does not exceed the official forecast of the conference, does not exceed the expenditure limit, does not contain any nonrecurring money for purposes other than those specifically authorized by present constitution, and does not recommend any contingent

appropriation. The proposed constitutional amendment requires that the REC's precertification be included in the governor's subsequent submission of his budget estimate to the legislature. (Art. VII, §11(A) and Art. VII, §10(B)(2))

Present constitution requires, after submitting his budget estimate to the legislature, that the governor then submit to the legislature a general appropriations bill (GAB) for the ordinary operating expenditures in conformity with his budget estimate. Proposed constitutional amendment retains this provision. (Art. VII, §11(B))

CERTIFICATION OF APPROPRIATIONS

Present constitution provides, generally, for the appropriation of money and specifically provides that all appropriation bills must originate in the House. Proposed constitutional amendment retains this provision and adds that no appropriation bill can be received by the Senate, no amendment to such a bill can be concurred in by the House, and no conference committee report on such a bill can be adopted, unless at each such point in the process, the REC certifies that the bill contains no prohibited appropriation of nonrecurring money or contingent appropriation and would not cause the expenditure limit or the official forecast in effect at the time the appropriations are made to be exceeded. (Art. III, §16(B)(2))

DETERMINATION OF FUNDING LEVEL & PRIORITIES

Proposed constitutional amendment requires the REC to also review and determine if the governor's budget estimate contains a recommendation for appropriations to both higher education and health care that is equal to or greater than the amounts appropriated in the prior fiscal year. Also requires that the governor's budget estimate include a statement of the REC determination. If the general fund appropriations in the general appropriation bill for both higher education and health care are less than in the most recently enacted general appropriation bill, then proposed constitutional amendment limits the GAB to only appropriations for the ordinary operating expenses of the executive branch and requires that any appropriation to political subdivisions or public charities, except those authorized by present constitution, be made in a separate appropriation bill. (Art. III, §16(C) and Art. VII, §§10(B)(3) and 11(B))

Proposed constitutional amendment additionally requires that the legislature must first pass the GAB before passing any other bill appropriating money for any given fiscal year. (Art. III, §16(D))

VOTE REQUIREMENT OF REC

With respect to budget precertification, certification of an appropriation, and the determination of funding levels by the REC, proposed constitutional amendments require that the REC's actions be by unanimous vote. Proposed constitutional amendment further provides that the legislature may establish a procedure to change the REC's vote requirement but once established, the procedure cannot be changed except by 2/3 vote of the legislature. (Art. III, §16(B)(2) and Art. III, §10(B)(2) and (3))

EXPENDITURE OF STATE FUNDS

Present constitution sets forth requirements relative to the expenditure of state funds and establishes the 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 constitutional provisions and specifies that the REC must designate as recurring or nonrecurring all of the money in the estimate including money to be received by each fund and specifically provides that the REC must designate as nonrecurring money available for appropriation from any special treasury fund

that was received by the state general fund or a dedicated fund in the previous fiscal year and money from one-time transactions such as court settlements, the sale of state facilities, and the privatization of state operations. (Art. VII, §10(B)(1))

Proposed constitutional amendment also 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. (Art. VII, §10(D)(4) and (E))

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

(Amends Art. III, § 16(A)-(D) and Art. VII, §§10(B) and (E) and 11(A) and (B); Adds Art. VII, §10(D)(4))