

2016 Regular Session

HOUSE BILL NO. 657

BY REPRESENTATIVE SCHRODER

BUDGETARY PROCEDURES: Provides for additional authority for the governor and legislature to reduce appropriations if there is a projected deficit

1 AN ACT

2 To amend and reenact R.S. 39:75(C)(2)(b) and (E)(1) and (2), relative to avoidance of  
3 budget deficits; to provide for an increase in the percentage of appropriated funds  
4 that can be reduced and transferred related to a projected deficit; to provide for the  
5 type of funds that can be reduced and transferred related to a projected deficit; to  
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:75(C)(2)(b) and (E)(1) and (2) are hereby amended and reenacted  
9 to read as follows:

10 §75. Avoidance of budget deficits

11 \* \* \*

12 C. Upon receiving notification that a projected deficit exists, the governor  
13 shall have interim budget balancing powers to adjust the budget in accordance with  
14 the following provisions:

15 \* \* \*

16 (2)

17 \* \* \*

18 (b) In accordance with Article VII, Section 10(F) of the Constitution of  
19 Louisiana, the governor may direct the commissioner of administration to reduce any  
20 appropriation or allocation for the executive branch of state government from the

1 state general fund and dedicated funds, including any which are constitutionally  
 2 protected or mandated, by an amount not to exceed ~~five~~ ten percent in the aggregate  
 3 of the total amount appropriated or allocated from that fund for that fiscal year.  
 4 Further, the governor may direct the commissioner of administration to reduce the  
 5 appropriation for any budget unit in the executive branch of state government from  
 6 fees and self-generated revenues by an amount to not exceed ten percent in the  
 7 aggregate of the total amount appropriated from fees and self-generated revenues for  
 8 that budget unit.

9 \* \* \*

10 E. If the official forecast of recurring money for the next fiscal year is at  
 11 least one percent less than the official forecast of recurring money for the current  
 12 fiscal year, the governor and the legislature may employ the following methods and  
 13 procedures in the development of the state budget for the next fiscal year pursuant  
 14 to authority granted in Article VII, Section 10(F) of the Constitution of Louisiana,  
 15 for the purpose of avoiding a budget deficit in the next fiscal year.

16 (1)(a) An amount not to exceed ~~five~~ ten percent of the total appropriation or  
 17 allocation in the current fiscal year from any fund shall be available for appropriation  
 18 in the next fiscal year for a purpose other than as specifically authorized for that  
 19 fund.

20 (b) An amount not to exceed ten percent of the total appropriation or  
 21 allocation in the current fiscal year for each budget unit from fees and self-generated  
 22 revenues shall be available for appropriation in the next fiscal year for a purpose  
 23 other than as specifically authorized.

24 (2) An amount not to exceed ~~five~~ ten percent of the current fiscal year's total  
 25 appropriation or allocation for any expenditure which is either protected or mandated  
 26 by law or the Constitution of Louisiana shall be available for appropriation in the  
 27 next fiscal year for a purpose other than as specifically required by law or  
 28 constitution. For the purposes of this Paragraph, an amount not to exceed one  
 29 percent of the current fiscal year's total appropriation for expenditures required by

1 Article VIII, Section 13(B) of the Constitution of Louisiana shall be available for  
2 other purposes.

3 \* \* \*

4 Section 2. This Act shall take effect and become operative if and when the proposed  
5 amendment of Article VII, Section 10 of the Constitution of Louisiana contained in the Act  
6 which originated as House Bill No. \_\_\_\_\_ of this 2016 Regular Session of the Legislature  
7 is adopted at a statewide election and becomes effective.

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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)]

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HB 657 Original

2016 Regular Session

Schroder

**Abstract:** Increases the amount of appropriations that can be reduced and transferred to a fund with a projected deficit from 5% to 10% and specifies that the reduction of appropriated fees and self-generated revenues for transfer to a fund with a projected deficit.

Present law provides for a procedure for adjusting appropriations if there is a projected deficit in any fund.

Present law provides for adjustment to appropriations, and transfer of monies to the fund in a projected deficit, with the approval of the Joint Legislative Committee on the Budget, not to exceed 5%, when state general fund appropriations have been reduced in an aggregate amount of 7/10 of 1%.

Present law further authorizes the legislature to make adjustments to appropriations, and transfer monies to the fund in a projected deficit, not to exceed 5% when the official forecast of recurring revenues for the next fiscal year is at least 1% less than the official forecast for the current fiscal year.

Proposed law changes the amount that such adjustments can not exceed from 5% to 10%.

Proposed law further specifies that appropriated fees and self-generated revenues may be reduced and transferred in the event of a projected deficit.

Effective if and when the proposed amendment of Article VII, Section 10 of the Constitution of La. contained in the Act which originated as House Bill No. \_\_ of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(R.S. 39:75(C)(2)(b) and (E)(1) and (2))