

Regular Session, 2010

HOUSE BILL NO. 322

BY REPRESENTATIVE NOWLIN

FUNDS/FUNDING: Authorizes limited redirection and transfer of funds supporting appropriations and allocations from the state general fund and dedicated funds in certain circumstances

1 AN ACT

2 To amend and reenact R.S. 39:75(C)(2)(b) and (E)(1) and (2), relative to the expenditure of
3 state funds; to authorize the limited redirection and transfer of funds supporting
4 appropriations or allocations from the state general fund and dedicated funds,
5 including those constitutionally protected or mandated, to be used for other
6 nonmandatory purposes under certain circumstances; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

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

11 §75. Avoidance of budget deficits

12 * * *

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

16 * * *

17 (2)(a)

18 * * *

- 1 Session of the Legislature is adopted at the statewide election to be held on November 2,
2 2010, 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)]

Nowlin

HB No. 322

Abstract: Effective upon passage of a constitutional amendment, increases the amount that can be reallocated from the state general fund and dedicated funds from 5% to 10% if there is a shortfall in the current fiscal year or if a shortfall is projected in the next fiscal year due to a decline in state revenues.

Present law establishes a procedure to determine a projected deficit and a method for adjusting appropriations to eliminate the deficit.

Present law authorizes the governor, with legislative approval, to reduce up to 5% of appropriations or allocations from the state general fund and dedicated funds in any fiscal year in which a deficit is projected and reductions of 0.7% in appropriations from the state general fund have already occurred. Further provides that such reductions to the Minimum Foundation Program (MFP) shall be limited to 1% and shall not be applicable to instructional activities.

Proposed law increases the amount of reductions of appropriations or allocations from the state general fund and dedicated funds in any fiscal year in which a deficit is projected and reductions of 0.7% in appropriations from the state general fund have already occurred from 5% to 10%.

Present law authorizes the legislature to reduce the monies appropriated or allocated for mandatory expenditures or allocations by up to 5%, making those funds available for other, nonmandatory expenditures if the official revenue forecast for the next year is at least 1% less than for the current year.

Proposed law increases the percentage the legislature is authorized to reduce the monies appropriated or allocated for mandatory expenditures or allocations from up to 5% to up to 10%, making those funds available for other, nonmandatory expenditures if the official revenue forecast for the next year is at least 1% less than for the current year.

Present constitution provides that present law shall not be applicable to, nor affect (1) the Bond Security and Redemption Fund or any bonds secured thereby, or any other funds pledged as security for bonds or evidences of indebtedness; (2) the severance tax and royalty allocations to parishes; (3) state retirement contributions; (4) the La. Education Quality Trust Fund; (5) the Millennium Trust, except for appropriations from the trust; and (6) any monies not required to be deposited in the state treasury as provided in Art. VII, §9 of the Const. of La.

Effective if and when the proposed amendment of Art. VII, §10(F)(2)(a) and (b) of the Const. of La. contained in the Act which originated as House Bill No. ___ of this 2010 R.S. of the Legislature is adopted at the statewide election to be held on Nov. 2, 2010, and becomes effective.

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