

Regular Session, 2012

HOUSE BILL NO. 392

BY REPRESENTATIVE JIM MORRIS

FUNDS/FUNDING: (Constitutional Amendment) Provides relative to deposits into the Budget Stabilization Fund

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10.3(A)(1) and (C)(4) of the Constitution of
3 Louisiana, relative to the Budget Stabilization Fund; to provide for deposits into the
4 Budget Stabilization Fund in certain circumstances; to provide for submission of the
5 proposed amendment to the electors; and to provide for related matters.

6 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
7 elected to each house concurring, that there shall be submitted to the electors of the state of
8 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
9 amend Article VII, Section 10.3(A)(1)and (C)(4) of the Constitution of Louisiana, to read
10 as follows:

11 §10.3. Budget Stabilization Fund

12 Section 10.3.(A) There is hereby established in the state treasury a Budget
13 Stabilization Fund hereinafter referred to as the fund. Money shall be deposited in
14 the fund as follows:

15 (1)(a) All money available for appropriation from the state general fund and
16 dedicated funds in excess of the initial expenditure limit for the fiscal year as
17 determined by Article VII, Section 10(C)(1) of the constitution, except funds
18 allocated by Article VII, Section 4, Paragraphs (D) and (E), shall be deposited in the
19 fund.

1 **(b) If the expenditure limit for the fiscal year is decreased as provided for in**
2 **Article VII, Section 10(C)(2) of this constitution, all money available for**
3 **appropriation from the state general fund and dedicated funds in excess of the**
4 **revised expenditure limit for the fiscal year, except funds allocated by Article VII,**
5 **Section 4, Paragraphs (D) and (E), shall be deposited in the fund.**

6 * * *

7 (C) The money in the fund shall not be available for appropriation or use
8 except under the following conditions:

9 * * *

(4) No appropriation or deposit to the fund, except earnings realized each year on the investment of monies in the fund, shall be made if such appropriation or deposit would cause the balance in the fund to exceed four percent of total state revenue receipts for the previous fiscal year.

14 Section 2. Be it further resolved that the provisions of the amendment contained in
15 this Joint Resolution shall become effective on July 1, 2013.

Section 3. Be it further resolved that this proposed amendment shall be submitted to the electors of the state of Louisiana at the statewide election to be held on November 6, 2012.

19 Section 4. Be it further resolved that on the official ballot to be used at the election,
20 there shall be printed a proposition, upon which the electors of the state shall be permitted
21 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
22 follows:

23 Do you support an amendment to require that, if the expenditure limit is
24 increased, monies in excess of the original expenditure limit would be
25 deposited into the Budget Stabilization Fund and if the expenditure limit is
26 decreased, monies in excess of the revised expenditure limit would be
27 deposited into the Budget Stabilization Fund, and to require that earnings
28 from investments in the Budget Stabilization Fund shall be deposited into the

- 1 fund, even if the fund balance has reached its maximum? (Effective July 1,
2 2013) (Amends Article VII, Section 10.3(A)(1) and (C)(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)]

Jim Morris

HB No. 392

Abstract: Requires that investment earnings be retained by the Budget Stabilization Fund even when the fund is at its maximum and clarifies what monies are to be deposited into the Budget Stabilization Fund if the expenditure limit is changed.

Present constitution establishes the Budget Stabilization Fund (hereafter fund) in the constitution and provides that monies available for appropriation in excess of the expenditure limit be deposited into the fund.

Proposed constitutional amendment specifies that present constitution applies to the initial expenditure limit which is established each year in advance of the executive budget.

Proposed constitutional amendment provides that, if the expenditure limit is decreased by the legislature, monies available for appropriation in excess of the decreased expenditure limit would be deposited into the Budget Stabilization Fund.

Present constitution requires earnings realized in each fiscal year on the investment of monies in the fund to be deposited to the credit of the fund.

Present constitution prohibits any appropriation or deposit to the fund, if it would cause the balance in the fund to exceed four percent of total state revenue receipts for the previous fiscal year.

Proposed constitutional amendment changes present constitution by requiring earnings on investments in the fund to be deposited into the fund, even if such deposit would cause the balance in the fund to exceed the cap.

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

Effective July 1, 2013.

(Amends Const. Art. VII, §10.3(A)(1) and (C)(4))