

2015 Regular Session

HOUSE BILL NO. 562

BY REPRESENTATIVES HAVARD, BERTHELOT, STUART BISHOP, GEYMANN,  
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Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

BUDGETARY CONTROLS: Requires the Revenue Estimating Conference to designate certain general fund money from mineral revenue as restricted and prohibits including such revenue in the executive budget

1 AN ACT

2 To amend and reenact R.S. 39:34(A) and 38(A) and to enact R.S. 39:24(G), relative to state  
3 funds; to require the Revenue Estimating Conference to include certain information  
4 in the official forecast; to require the Revenue Estimating Conference to designate  
5 certain money as restricted; to provide for the uses of certain money designated as  
6 restricted; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:34(A) and 38(A) are hereby amended and reenacted and R.S.  
9 39:24(G) is hereby enacted to read as follows:

10 §24. Official forecast

11 \* \* \*

12 G.(1) The official forecast shall disclose the forecast price per barrel of oil  
13 and the highest actual price per barrel of oil.

14 (2) If the forecast price per barrel of oil is greater than ninety percent of the  
15 highest actual price per barrel of oil, the Revenue Estimating Conference shall  
16 determine the revenues estimated to be available to the state general fund (direct)  
17 based on the forecast price in excess of ninety percent of the highest actual price and,  
18 in addition to designating such revenue as recurring or nonrecurring, shall designate  
19 such revenues as restricted.

1           (3) For purposes of this Section:

2           (a) "Forecast price per barrel of oil" means the price per barrel of oil used to  
3           determine the amount of mineral revenues included in the official forecast.

4           (b) "Highest actual price per barrel of oil" means the highest actual price per  
5           barrel of oil in the calendar year prior to the year in which the forecast is adopted or  
6           revised.

7                               \*       \*       \*

8           §34. Executive budget

9                   A. The governor shall cause to be prepared an executive budget presenting  
10                   a complete financial and programmatic plan for the ensuing fiscal year which shall  
11                   include recommendations for appropriations from the state general fund and  
12                   dedicated funds which shall not exceed the official forecast of the Revenue  
13                   Estimating Conference. Except as provided by R.S. 39:75(E), the executive budget  
14                   shall not include recommendations for appropriations from any fund in excess of the  
15                   official forecast of money available for appropriation from that fund. The executive  
16                   budget shall not include recommendations for appropriations from the state general  
17                   fund from the portion of the state general fund designated as restricted pursuant to  
18                   R.S. 39:24(G).

19                               \*       \*       \*

20           §38. Additional proposals

21                   A.(1) Any proposals by the governor to enhance revenues for the ensuing  
22                   fiscal year beyond the official forecast shall be itemized and projected separately and  
23                   shall constitute a submission by the governor separate and apart from the  
24                   recommendations in the executive budget based on the official forecast as provided  
25                   in Article VII, Section 11(A) of the Constitution of Louisiana and under the  
26                   provisions of this Chapter. Any such submission shall include a description of the  
27                   proposed uses and programmatic impacts of the enhanced revenues.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1           (2) Any proposals by the governor to appropriate revenues designated as  
2           restricted pursuant to R.S. 39:24(G) shall be itemized and projected separately and  
3           shall constitute a submission by the governor separate and apart from the  
4           recommendations in the executive budget under the provisions of this Chapter. Any  
5           such submission shall include a description of the proposed uses and programmatic  
6           impacts of the restricted revenues.

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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 562 Reengrossed

2015 Regular Session

Havard

**Abstract:** Requires the Revenue Estimating Conference to designate certain general fund money from mineral revenue as restricted based on the projected price of oil and requires proposals to appropriate such restricted revenue separate and apart from the executive budget.

Proposed law requires the Revenue Estimating Conference (REC) to disclose in the official forecast for each fiscal year the price per barrel of oil used to determine mineral revenues in the official forecast (forecast price) and the highest actual price per barrel of oil in the prior calendar year (highest actual price).

Proposed law requires the REC to designate revenues estimated to be available to the state general fund (direct) based on the forecast price in excess of 90% of the highest actual price as restricted.

Proposed law prohibits the governor from including recommendations for appropriations of revenues designated as restricted in the executive budget. Further requires that proposals to appropriate restricted revenues be separate and apart from the executive budget recommendations.

(Amends R.S. 39:34(A) and 38(A); Adds R.S. 39:24(G))

Summary of Amendments Adopted by House

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

1. Add requirement that for the REC to designate certain revenues as nonrecurring according to proposed law, the official forecast of recurring state revenues for the fiscal year is equal to or more than the continuation budget for the same fiscal year.

The House Floor Amendments to the engrossed bill:

1. Delete the requirement that the official forecast of recurring state revenues for the fiscal year be equal to or more than the continuation budget prior to REC's designation of certain revenue as nonrecurring.
2. Change requirement that REC designate certain mineral revenues as nonrecurring in favor of requiring REC to designate these revenues as restricted.
3. Delete the specification of how nonrecurring revenues shall be spent.
4. Prohibit the governor from including recommendations for appropriations from restricted revenues in the Executive Budget. Requires the governor to submit recommendations for these appropriations separate and apart from the executive budget.