

Regular Session, 2011

SENATE BILL NO. 131

BY SENATORS LONG, ALARIO, APPEL, BROOME, CHABERT, CHAISSON,
CHEEK, CROWE, DONAHUE, GUILLORY, MARTINY, MICHOT,
MOUNT AND WALSWORTH

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FISCAL CONTROLS. Provides for the governor's interim budget balancing authority, authorizing him to reduce certain state general fund or statutorily dedicated fund appropriations or allocations by an additional five percent. (7/1/11) (2/3-CA7s10(F)(1))

1 AN ACT

2 To amend and reenact R.S. 39:75(C)(2)(b), relative to avoidance of budget deficits; to
3 provide for additional authority of the governor to reduce certain appropriations or
4 allocations; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 39:75(C)(2)(b) is hereby amended and reenacted to read as follows:

7 §75. Avoidance of budget deficits

8 * * *

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

12 * * *

13 (2)

14 * * *

15 (b)(i) In accordance with Article VII, Section 10(F) of the Constitution of
16 Louisiana, the governor may direct the commissioner of administration to reduce any
17 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 percent in the aggregate of
 3 the total amount appropriated or allocated from that fund for that fiscal year.

4 (ii) In addition to the authority provided for in Item (i) of this
 5 Subparagraph, the governor may direct the commissioner of administration to
 6 reduce any appropriation or allocation for the executive branch of state
 7 government from the state general fund and dedicated funds, excluding any
 8 which are constitutionally protected or mandated or described in R.S.
 9 49:308.5(C), by an additional amount not to exceed five percent in the aggregate
 10 of the total amount appropriated or allocated from that fund for that fiscal
 11 year. Such reductions authorized by this Item shall require the prior approval
 12 of a majority of the elected members of each house of the legislature. If the
 13 legislature is in session, the approval shall be by resolution or Act. If the
 14 legislature is not in session, approval shall be obtained using the same mail
 15 ballot procedure used to obtain such approval of action of the Interim
 16 Emergency Board.

17 * * *

18 Section 2. This Act shall become effective on July 1, 2011; if vetoed by the governor
 19 and subsequently approved by the legislature, this Act shall become effective on July 1,
 20 2011, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Jay Lueckel. The following digest,
 which does not constitute a part of the legislative instrument, was prepared
 by Ann S. Brown.

DIGEST

Long (SB 131)

Present law provides, relative to the notification that a budget deficit exists in the current fiscal year, that the governor shall have interim budget balancing powers to eliminate the deficit, among others:

1. Reduce executive branch budget unit appropriations by three percent of the total appropriation for the fiscal year.
2. In the event the governor has reduced budgets by seven-tenths of one percent of the total appropriation and the deficit still exists, the governor may make further budget adjustments. The governor may direct reductions of any appropriation or allocation

from the state general fund or dedicated funds, including those constitutionally protected or mandated, by an amount not to exceed five percent of the total amount appropriated or allocated for that fiscal year.

Proposed law retains present law but authorizes additional authority for the governor to reduce certain non-constitutionally protected appropriations or allocations from the state general fund or dedicated by another five percent.

Proposed law requires legislative approval by a majority of the elected members of each house prior to any additional reductions authorized by proposed law. Such approval shall be granted by resolution or Act (if legislature is in session) or by mail ballot (if legislature is not in session).

Effective July 1, 2011.

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill.

1. Adds language excluding special funds not required to be deposited in the treasury pursuant to Art. VII, Section 9(A) of the constitution and certain other special funds, including court or regulatory agency judgments; contracts related to the issuance of bonds, notes, or other indebtedness; and special retirement funds; among others.

Senate Floor Amendments to engrossed bill.

1. Provides that the authorized budget adjustments must be approved by a majority of each house of the legislature and specifies procedures for such approval.