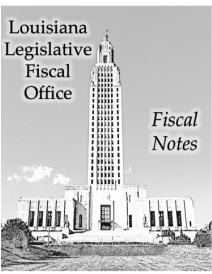


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 656** HLS 22RS 711
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 3, 2022	10:05 AM	Author: GEYMANN
Dept./Agy.: Budget		
Subject: REC reporting requirement on state general fund direct		Analyst: Deborah Vivien

FISCAL CONTROLS EG NO IMPACT GF EX See Note Page 1 of 1
 Limits the amount of recurring revenue that can be recognized by the Revenue Estimating Conference

Current law stipulates that the Revenue Estimating Conference meet to unanimously approve a forecast of recurring and non-recurring state general fund revenue. Constitutionally, at least 25% of revenue declared non-recurring must be sent to the Budget Stabilization Fund, and at least 10% must be used to pay the unfunded accrued liability (UAL) of LASERS and Teachers retirement systems. The remaining non-recurring funding may only be spent on debt, UAL, capital outlay projects, Budget Stabilization Fund, or new highway projects with a federal match.

Proposed law directs the Revenue Estimating Conference to calculate a growth factor which must be unanimously approved by the REC in January of each year as the weighted average of the 25 year annual change in state GDP and State Personal Income. When the REC adopts subsequent forecasts for the current year, this growth factor will be applied to the prior year actual state general fund direct recurring revenue and act as a baseline over which recurring revenue will be reported.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The reporting requirements at the REC will be incorporated into the forecast process.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Interim Legislative Fiscal Officer