



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HCR 43** HLS 24RS 2037
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 11, 2024	8:50 AM	Author: EMERSON
Dept./Agy.:		Analyst: Deborah Vivien
Subject: Authorizes \$400M access to Revenue Stabilization Fund		

FISCAL CONTROLS OR SEE FISC NOTE SD EX Page 1 of 1
 Authorizes appropriation from the Revenue Stabilization Trust Fund

Proposed resolution authorizes a withdrawal from the Revenue Stabilization Trust Fund in the total amount of \$400 M. Appropriations from the fund may occur in FY 24 or FY 25 but the total actual spending over both fiscal years is limited to \$400 M. Per the Constitution Article 7, Section 10.15(F)(3), the instrument requires a 2/3 vote of each chamber.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total			\$0	\$0	\$0	\$0

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Current law allows the Revenue Stabilization Trust Fund to be accessed with a 2/3 vote at any time for any reason. This resolution relies on emergencies as declared in Executive Orders JML 24-22 and JML 24-37 as reasons for accessing the fund up to \$400 M in FY 24 or FY 25. According to the 12/14/23 official forecast, the Revenue Stabilization Fund balance will be impacted in the following way should the forecast materialize and the entire \$400 M be spent from the fund:

	(billion)
FY 24 Beginning Balance	\$2.3
FY 24 REC Forecast	<u>0.5</u>
FY 24 Projected Balance	2.8
FY 25 REC Forecast	<u>0.2</u>
FY 25 Projected Balance	3.0
Use of \$400 M from the bill	<u>(0.4)</u>
FY 25 New Projected Balance	2.6

These figures are subject to change with an updated REC forecast and, ultimately, from actual deposits at the end of the year. The fund contains corporate income and franchise tax collections in excess of \$600 M and certain oil and gas revenue.

REVENUE EXPLANATION

Interest on the Revenue Stabilization Trust Fund balance accrues to the SGF, which becomes a component of the SGF direct estimate at the REC. If all of the funds are withdrawn, a reduction of \$400 M in the base investment could reduce SGF direct annually by \$15 M - \$20 M (more or less), depending on actual earnings.

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|---|----------------------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


Alan M. Boxberger
Legislative Fiscal Officer