

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 145** HLS 051ES 296
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

Date: November 14, 2005 6:43 PM	Author: ALARIO
Dept./Agy.: Treasury	
Subject: Budget Stabilization Fund	Analyst: Greg Albrecht

FUNDS/FUNDING OR SEE FISC NOTE SD RV See Note Page 1 of 1
 Authorizes appropriation of additional amounts from the Budget Stabilization Fund after declaration of a disaster or emergency (Item #19)

Current law authorizes the use of up to one-third of the balance of the Budget Stabilization Fund if the official revenue forecasts decline or a deficit is projected.

Proposed law will authorize, by two-thirds vote of the legislature, the use of up to 75% of the Fund if a deficit for the current fiscal year is projected due to a decrease in the official revenue forecast following the declaration by the governor of a state disaster or emergency.

Statutory companion to the proposed constitutional amendment contained in HB 146, to be submitted to the electors at the statewide election on February 4, 2006.

EXPENDITURES	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
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	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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.

REVENUE EXPLANATION

Currently, one-third of the Budget Stabilization Fund prior year ending balance can be utilized if a reduction in the official revenue forecasts results in a projected deficit. This proposal will allow an additional amount of the Budget Stabilization Fund to be utilized (up to 75% of the Fund's prior year ending balance) in the current fiscal year if a reduction in the official revenue forecasts results in a projected deficit following the declaration of a disaster or emergency by the governor.

Utilizing FY06 as an example, current law allows use of \$153.7 million (one-third of the \$461.7 million balance as of the end of FY05). This bill would allow an additional \$192.6 million to be used (the difference between one-third of the prior year ending fund balance and three-fourths of that balance).

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk

H. Gordon Monk
Legislative Fiscal Officer