

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 108** SLS 051ES 489
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

Date: November 16, 2005 6:59 AM	Author: HINES
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.

Current law (Article VII,§10.3) 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 SB 92, 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>	<u>\$0</u>
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>	<u>\$0</u>
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).

In addition, the bill may allow up to 75% of any deposits made to the fund during the year of the deficit resulting from the disaster or emergency to be appropriated, as well. In the case of FY06, at least \$63 million of the FY05 surplus of \$252 million will be transferred into the Fund. The balance of that surplus may also be appropriated into the Fund. This bill may allow 75% of those amounts to also be available for appropriation (\$189 million). Finally, 75% of other deposits that might be made to the Fund during the year from excess mineral revenue, subject to the maximum balance provisions of the Fund, may also be available for appropriation under the provisions of this bill.

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

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Legislative Fiscal Officer