

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



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

<b>Date:</b> November 16, 2005 5:40 PM	<b>Author:</b> ALARIO
<b>Dept./Agy.:</b> Treasury	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Budget Stabilization Fund	

FUNDS/FUNDING EG 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 (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 balance for appropriation in any fiscal year to provide relief from a natural catastrophe declared by the federal government to be a disaster or emergency or to provide for matching funds for federal disaster or emergency funding for such catastrophe.

Statutory companion to the proposed constitutional amendment contained in HB 146, to be submitted to the electors at the statewide election on April 29, 2006.

<b>EXPENDITURES</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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 up to 75% of the fund balance to be utilized in the current fiscal year under the additional conditions provided by this bill.

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) if the official revenue forecasts decline or a deficit is projected. This bill would allow 75% of the fund balance (apparently the fund balance at any point during the year) to be used under the conditions provided by this bill. That would be \$346.3 million of the fund balance at the end of FY05. As that fund balance changes through the year the amount of monies that would be eligible under the provisions of this bill would also change.

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**