



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 226** SLS 13RS 168
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 21, 2013 6:16 PM	Author: ALARIO
Dept./Agy.: Treasury	Analyst: Travis McIlwain
Subject: Funds	

FUNDS/FUNDING EG SEE FISC NOTE GF RV Page 1 of 1
 To provide relative to special funds in the state treasury. (gov sig)

Proposed bill creates the Balanced Budget Support Fund and provides that the source of monies shall include appropriations, donations, gifts, grants and any other monies as may be provided by law. Proposed legislation provides that monies in the fund shall be invested in the same manner as monies in the state general fund and earnings are to be credited to the state general fund. Unexpended monies in the fund at the end of the fiscal year shall remain in the fund. Monies in the fund shall be used or expended as provided by law.

Proposed bill also provides for the state treasury to transfer \$87,320,807 from the SGF (comprised wholly of non-recurring revenues) to the Coastal Protection & Restoration Fund. Proposed bill provides for the state treasury to transfer \$87,320,807 from the Coastal Protection & Restoration Fund (recurring revenues). Proposed bill repeals Section 4 of Act 597 of the 2012 Regular Legislative Session. Effective upon governor's signature.

EXPENDITURES	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	\$0	\$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	\$0

REVENUES	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	\$0	\$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	\$0

EXPENDITURE EXPLANATION

The proposed legislation effectively allows \$87,320,807 of the FY 12 surplus to be appropriated in the FY 13 operational budget.

REVENUE EXPLANATION

The proposed legislation repeals Section 4 of Act 597 of the 2012 Regular Legislative Session. That section requires the Revenue Estimating Conference (REC) to promulgate FY 12 actual revenue collections. The state treasurer is directed to deposit into the Budget Stabilization Replenishment Fund (newly created by Act 597) the difference between actual collections and those officially forecast for FY 12 on 4/24/2012, up to the maximum of \$204.7 million. The state treasurer is then directed to transfer these same funds into the Budget Stabilization Fund (Rainy Day Fund). This language, which is repealed by this proposed bill, effectively pays back any unnecessary amount that was withdrawn late in the fiscal year to support the FY 12 budget. Relative to the April 24 forecast for FY 12, SGF revenue collections were \$203.8 million greater than expected. After an adjustment for a portion utilized (\$78.3 million), \$125.5 million of these excess collections are subject to the payback provisions of Act 597. If Section 4 of Act 597 is not repealed, all \$113.2 million would have to be deposited into the Budget Stabilization Fund (Rainy Day Fund).

Repeal of Section 4 effectively allows \$87.3 million of the FY 12 SGF surplus (non-recurring revenue) to be utilized in the operating budget and not be subjected to the constitutional limitations in Article VII, Section 10(D)(2), which limit non-recurring SGF revenues to only be expended on payment of debt, unfunded accrued liability, capital outlay projects, deposit into the Budget Stabilization Fund, highway construction for which federal matching funds are available and deposit into the Coastal Protection & Restoration Fund. This bill directs the state treasurer to transfer \$87,320,807 of non-recurring SGF into the Coastal Protection & Restoration Fund and then directs the state treasurer to transfer the same exact amount of recurring resources from the Coastal Protection & Restoration Fund into the SGF. These 2 transfers will effectively allow \$87.3 million of the FY 12 SGF surplus (\$113,220,807) to be expended in the operating budget (likely in the FY 13 supplemental appropriations bill).

The proposed bill also creates the Balanced Budget Support Fund, but does not provide for a permanent revenue source to flow into the newly created fund.

<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) >= \$500,000 Annual Fiscal Cost {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}	

Gregory V. Albrecht
 Chief Economist