

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 596** HLS 14RS 50

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 5, 2014	2:14 PM	Author: ABRAMSON
Dept./Agy.: Treasury		Analyst: Travis McIlwain
Subject: Line Item Veto/Budget Stabilization Fund		

FUNDS/FUNDING OR INCREASE SD RV See Note Page 1 of 1
(Constitutional Amendment) Requires certain money from vetoed line item appropriations be deposited into the Budget Stabilization Fund

Proposed constitutional amendment provides that after the date of the veto session of the most recent session in which the appropriation bill was passed, the state treasurer shall deposit into the Budget Stabilization Fund any money from state general fund contained in line item appropriations that remained vetoed. Proposed amendment provides for the exception of money vetoed to ensure that total appropriations for the year do not exceed anticipated revenues for that year. The governor's veto message shall state if a veto was for that reason. Companion statutory changes to Title 39 are contained within HB 604 of this session.

To be submitted at the statewide election on November 4, 2014.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Implementation of the bill itself would not reduce SGF expenditures. However, it does provide for the dedication to the Budget Stabilization Fund of certain vetoed SGF resources.

The proposed constitutional amendment will be considered by voters at the statewide election to be held on November 4, 2014. The Secretary of State may incur minimal ballot printing costs associated with this measure. However, as a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments for the fall statewide elections.

REVENUE EXPLANATION

This bill provides for a mechanism that effectively dedicates funded SGF line items in the appropriations bill that are vetoed by the governor. The affected funding is to be transferred out of the state general fund and into the Budget Stabilization Fund (rainy day fund). The annual amount of dedication will ultimately depend upon the vetoes of the governor and the specified reasons for such vetoes. To the extent such vetoes are necessary to balance the budget, the transfer to the Fund will not occur.

For illustrative purposes, had this law been in place after the 2013 legislative session, the Budget Stabilization Fund would have received approximately \$5.1 M from SGF funded vetoed items in Act 14 (HB 1 of 2013).

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| Senate | <u>Dual Referral Rules</u> | House | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Red. {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} |

Gregory V. Albrecht
Chief Economist