

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 490** HLS 14RS 549
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.:	Analyst: Travis McIlwain
Subject: Budgetary Controls	

BUDGETARY CONTROLS OR SEE FISC NOTE SD RV Page 1 of 1
 (Constitutional Amendment) Prohibits certain transfers of monies through the Coastal Protection and Restoration Fund or the Budget Stabilization Fund

Proposed constitutional amendment prohibits transfers of monies from the Coastal Protection & Restoration Fund or the Budget Stabilization Fund for purposes other than those provided for by law. Proposed constitutional amendment provides that in a year in which revenues deemed nonrecurring by the Revenue Estimating Conference (REC) are transferred into the Coastal Fund any transfer of monies from the Fund shall require consent of 2/3 vote of the elected members of each house of the legislature. Proposed constitutional amendment will be submitted to the electors at the statewide election to be held on November 4, 2014.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
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	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. However, this bill may have an indirect impact on the available resources utilized in the operating budget.

REVENUE EXPLANATION

This bill will limit the use of non-recurring monies flowing through the Coastal Protection & Restoration Fund into the annual operating budget without a 2/3 vote of the state legislature. To the extent the REC deems resources non-recurring, if those resources are transferred into the Coastal Protection & Restoration Fund, a like amount transfer to another fund (for example, the Overcollections Fund) cannot occur without a 2/3 vote of the legislature.

For illustrative purposes, if this law were already in effect, the FY 15 budget proposes \$51 million of non-recurring resources be deposited into the Coastal Protection & Restoration Fund with a like amount being transferred from the Coastal Protection & Restoration Fund to the Overcollections Fund for recurring FY 15 expenditures. This transfer of funds would require a 2/3 vote of the legislature; otherwise, these funds would have to be replaced with a like amount of recurring resources or necessitate a like amount of budgeted expenditure reductions.

Note: The illustration discussed above is based upon the FY 15 Executive Budget presentation and the documents presented by the Division of Administration to the REC at the January 15, 2014 meeting. The funds bill has not yet been filed, which would specify how the non-recurring resources would flow.

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

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