

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 267** HLS 20RS 234

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 28, 2020	3:57 PM	Author: CARTER, GARY
Dept./Agy.:		Analyst: Greg Albrecht
Subject: Allows for use of Budget Stabilization Fund for disasters		

FUNDS/FUNDING OR SEE FISC NOTE SD EX See Note Page 1 of 1
(Constitutional Amendment) Allows for the use of the Budget Stabilization Fund for state costs associated with a federally declared disaster

Present constitution establishes the Budget Stabilization Fund and provides for deposits into the fund including 25% of any nonrecurring revenues and mineral revenues collected by the state over a base amount; provides for the fund to be used only under certain conditions after consent of 2/3 of the elected members of the legislature; and prohibits the amount included in the official forecast for the next fiscal year and the amount appropriated for the current fiscal year from exceeding 1/3 of the fund balance at the beginning of the current fiscal year.

Proposed constitutional amendment allows the use of the fund for the state costs associated with a federally declared disaster, not to exceed an amount equal to 1/3 of the fund, after the consent of 2/3 of the elected members of the legislature; prohibits the combined amount of the fund that may be withdrawn to 1/3, including federal disaster costs; and provides that any monies received from the federal government for reimbursement be deposited back into the fund. To be submitted to the electors at the statewide election to be held on November 3, 2020.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	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						

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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. Implementation of the constitutional amendment itself would not create an expenditure obligation. However, it does allow the legislature by 2/3 vote to authorize utilization of an amount up to 1/3 of the budget stabilization fund to provide for state costs associated with a federally declared disaster.

For illustrative purposes, based upon the Budget Stabilization Fund balance at the beginning of FY 20 (\$405.283 M), the state could access up to \$135.094 M (1/3 of that balance) to address a federally declared disaster affecting the state during the current fiscal year.

Proposed constitutional amendment keeps in place the restriction that no more than 1/3 of the fund may be included in the official forecast for the next fiscal year and the amount appropriated for the current fiscal year in comparison to the fund balance at the beginning of the current fiscal year. Thus, allowed withdrawals for non-disaster purposes would reduce the amount available for disaster costs, or withdrawals for disaster purposes would reduce the the amount available for non-disaster purposes.

Proposed constitutional amendment will be considered by voters at the statewide election to be held on November 3, 2020. 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

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Proposed constitutional amendment provides that any reimbursement by the federal government for the costs associated with the corresponding disaster shall be deposited into the Budget Stabilization Fund, in an amount not to exceed the appropriation authorized from the fund. For informational purposes, federal reimbursements may take multiple fiscal years to receive and typically do not fully reimburse state costs. Thus, the Budget Stabilization Fund would likely be partially reimbursed, but not made whole over time.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer