

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 604** HLS 14RS 576

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 5, 2014	2:26 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
Requires that funding from vetoed line item appropriations be deposited into the Budget Stabilization Fund

Proposed bill provides that state general fund resources available from line item vetoes by the governor shall be deposited into the Budget Stabilization Fund. Proposed bill provides for the exception of funds vetoed to ensure that total appropriations for the year do not exceed anticipated revenues for that year.

This bill shall take effect and become operative if and when the proposed constitutional amendment that originated as HB 596 of the 2014 Regular Legislative Session is adopted at a statewide election and becomes effective.

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.

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} |

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