

HOUSE BILL REPORT

HB 1250

As Reported by House Committee On: Ways & Means

Title: An act relating to transferring funds from the budget stabilization account to the general fund.

Brief Description: Transferring funds from the budget stabilization account to the general fund.

Sponsors: Representatives Hunter and Darneille; by request of Office of Financial Management.

Brief History:

Committee Activity:

Ways & Means: 4/14/11, 5/5/11 [DPS].

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Directs the State Treasurer to transfer \$189.6 million from the Budget Stabilization Account to the State General Fund: \$90.1 million for fiscal year 2012 and \$99.5 million for fiscal year 2013.
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HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Ross, Seaquist, Springer, Sullivan and Wilcox.

Minority Report: Do not pass. Signed by 2 members: Representatives Orcutt, Assistant Ranking Minority Member; Schmick.

Staff: Charlie Gavigan (786-7340).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Budget Stabilization Account (BSA), also known as the "Rainy Day Fund," was created by a constitutional amendment approved by the voters in 2007. The State Treasurer must transfer 1 percent of general state revenues into the BSA annually. ("General state revenues" are basically all revenues to the State General Fund other than state property tax revenues, which are dedicated to schools.) Transfers into the BSA during the 2011-13 biennium are projected to total \$290 million.

Withdrawals from the BSA require a three-fifths vote of each house of the Legislature unless: (1) the employment growth forecast made by the Economic and Revenue Forecast Council for that fiscal year is less than 1 percent; or (2) the Governor declares a state of emergency resulting from a catastrophic event that requires government action to protect life or safety. In those cases, the Legislature may appropriate from the BSA with a constitutional majority vote of each house.

Employment growth for fiscal year 2010 was -4.0 percent, and is projected to be 0.1 percent for fiscal year 2011, 2.1 percent for fiscal year 2012, and 2.7 percent for fiscal year 2013.

Summary of Substitute Bill:

The State Treasurer is directed to transfer \$189.6 million from the Budget Stabilization Account to the State General Fund: \$90.1 million for fiscal year 2012 and \$99.5 million for fiscal year 2013.

Substitute Bill Compared to Original Bill:

The substitute bill reduces the amount transferred from the BSA to the State General Fund by a total of \$100 million — \$50 million in each fiscal year.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.