
Appropriations Committee

HB 2046

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

Sponsors: Representatives Hunter and Sullivan.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Transfers \$575 million from the Budget Stabilization Account to the State General Fund.
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Hearing Date: 4/22/13

Staff: Kristen Fraser (786-7148).

Background:

The Budget Stabilization Account (BSA), also known as the "Rainy Day Fund," was created by constitutional amendment. Each year, the State Treasurer must transfer 1 percent of general state revenues into the BSA. The constitutional term "general state revenues" means undedicated revenues and is very close to state general fund revenues. In addition, during times of extraordinary revenue growth, additional deposits into the BSA may be required.

Estimated transfers into the BSA total \$268 million for the 2011-13 biennium and \$307 million for the 2013-15 biennium. 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.

Annual employment growth for Fiscal Year 2013 through Fiscal Year 2015 is forecast to be between 1.8 percent and 2.0 percent.

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.

Summary of Bill:

The State Treasurer is directed to transfer \$575 million from the Budget Stabilization Account to the State General Fund: \$408 million in Fiscal Year 2014 and \$167 million in Fiscal Year 2015.

Appropriation: None.

Fiscal Note: Not requested.

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