
DIGEST

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HB 267 Engrossed

2020 Regular Session

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Abstract: Authorizes the use of the Budget Stabilization Fund, also known as the Rainy Day Fund, for the state's share of the costs associated with a federally declared disaster.

Present constitution establishes the Budget Stabilization Fund and provides for various deposits into the fund including 25% of any nonrecurring revenues and mineral revenues collected by the state over a base amount of \$750 million. Further authorizes the legislature to increase the base amount every 10 years by a law enacted by 2/3 of the elected members of each house of the legislature. Increases provided for in law in 2004 and 2015 have increased the base amount to \$950 million.

Present constitution provides for the fund to be used only under the following conditions, after consent of 2/3 of the elected members of each house of the legislature:

- (1) If the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year, the difference, not to exceed 1/3 of the fund shall be incorporated into the next year's official forecast.
- (2) If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to 1/3 of the fund not to exceed the projected deficit may be appropriated.

Proposed constitutional amendment provides for 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 consent of 2/3 of the elected members of each house of the legislature.

Present constitution provides for deposits into the fund including monies in excess of the expenditure limit, mineral revenues, and nonrecurring revenues.

Proposed constitutional amendment retains the deposits into the fund in present constitution and adds the deposit of federal funds received by the state for the reimbursement of disaster costs, not to exceed the amount of the costs appropriated out of the fund.

Present constitution 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 prohibits the combined amount of the fund incorporated in the official forecast in the next fiscal year, in the current fiscal year, and as a result of a federally declared disaster, from exceeding 1/3 of the balance at the beginning of the current fiscal year.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2020.

(Amends Const. Art. VII, §10.3(C)(3) and (4); Adds Const. Art. VII, §10.3(A)(5) and (C)(5))