
DIGEST

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HB No. 152

Abstract: Authorizes appropriation of up to 75% of the Budget Stabilization Fund to address a deficit following the declaration of a state disaster or emergency and changes the cap on the fund balance.

Present constitution provides for the establishment of a Budget Stabilization Fund, the deposits into the fund, and appropriations from the fund in certain circumstances related to revenue shortfalls.

Present constitution limits appropriations from the fund to one-third of the fund balance, which may be appropriated after two-thirds vote of both houses of the legislature.

Proposed constitutional amendment retains present constitution and provides that notwithstanding any other provision of present constitution to the contrary, authorizes appropriation of up to 75% of monies in the Budget Stabilization Fund if a deficit for the current fiscal year is projected due to a decrease in the official forecast following the declaration by the governor of a state disaster or emergency. The amount available for appropriation shall not exceed the amount of the projected deficit and shall be incorporated into the official forecast upon the consent of two-thirds of the elected members of each house of the legislature, such consent being provided in writing, in a manner established by law, if the legislature is not in session.

Present constitution limits the balance in the fund for any fiscal year to 4% of total state revenue receipts.

Proposed constitutional amendment changes present constitution by changing the limitation on the fund balance in any particular fiscal year to 7% of the state general fund and dedicated funds contained in the official forecast for that fiscal year which was in effect at the beginning of the fiscal year.

Provides for submission of the proposed amendment to the voters at the statewide election to be held February 4, 2006.

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