
Ways & Means Committee

HB 3197

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

Sponsors: Representatives Sullivan, Linville, Seaquist, Ericks and Haigh.

Brief Summary of Bill

- Directs the State Treasurer to transfer \$229 million from the Budget Stabilization Account to the state General Fund.

Hearing Date: 3/8/10

Staff: Charlie Gavigan (786-7340).

Background:

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 (Treasurer) must transfer 1 percent of general state revenues into the BSA annually. ("General state revenues" are all revenues to the state general fund other than state property tax revenues, which are dedicated to schools.) Transfers into the BSA during the 2009-11 biennium are projected to total \$252.2 million.

Appropriations 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 2009 was -1.8 percent, and -3.4 percent for 2010, and projected to be 1.7 percent for 2011. The 2009-11 biennial and supplemental operating budgets transferred \$400 million from the BSA to the General Fund-State (GF-S) for fiscal year 2009 and \$45.1 million for fiscal year 2010.

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 \$229 million from the Budget Stabilization Account into the GF-S for fiscal year 2011. The purpose of the transfer is to minimize reductions to public school programs in the 2010 supplemental budget.

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.