

HOUSE BILL REPORT

HB 3197

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 Sullivan, Linville, Seaquist, Ericks and Haigh.

Brief History:

Committee Activity:

Ways & Means: 3/8/10, 3/9/10 [DP].

Brief Summary of Bill

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

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass. Signed by 14 members: Representatives Linville, Chair; Ericks, Vice Chair; Sullivan, Vice Chair; Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew and Seaquist.

Minority Report: Do not pass. Signed by 8 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Hinkle, Priest, Ross and Schmick.

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,

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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.

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.

Staff Summary of Public Testimony:

None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.