
Ways & Means Committee

HB 1250

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

Sponsors: Representatives Hunter and Darneille; by request of Office of Financial Management.

Brief Summary of Bill

- Directs the State Treasurer to transfer \$289.6 million from the Budget Stabilization Account to the State General Fund: \$140.1 million for Fiscal Year 2012 and \$149.5 million for Fiscal Year 2013.

Hearing Date: 4/14/11

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 basically all revenues to the State General Fund other than state property tax revenues, which are dedicated to schools.) Transfers into the BSA during the 2011-13 biennium are projected to total \$290 million.

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.

Employment growth for Fiscal Year 2010 was -4.0 percent, and is projected to be 0.1 percent for Fiscal Year 2011, 2.1 percent for Fiscal Year 2012, and 2.7 percent for Fiscal Year 2013.

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 \$289.6 million from the Budget Stabilization Account to the State General Fund: \$140.1 million for Fiscal Year 2012 and \$149.5 million for Fiscal Year 2013.

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.