

# SENATE BILL REPORT

## ESHB 2988

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As of Second Reading

**Title:** An act relating to making expenditures from the budget stabilization account to make critical investments.

**Brief Description:** Making expenditures from the budget stabilization account.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representative Dunshee).

**Brief History:** Passed House: 3/29/16, 88-7.

**Committee Activity:**

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**Staff:** Steve Jones (786-7440)

**Background:** The Budget Stabilization Account, commonly known as the Rainy Day Fund, is an account established in the state Constitution. Each fiscal year, 1 percent of general state revenues is deposited into the account. In addition, each fiscal biennium in which the state receives extraordinary revenue growth, three-fourths of that extraordinary revenue is deposited into the account. "Extraordinary revenue growth" is defined as the amount by which state biennial revenue growth exceeds by one-third the average biennial growth over the prior five fiscal biennia.

Monies in the Budget Stabilization Account may be appropriated by the Legislature under one of the following three circumstances:

1. by a majority vote of each house of the Legislature if the Governor declares an emergency resulting from a catastrophic event requiring governmental action to protect life or public safety;
2. by a majority vote of each house of the Legislature, if annual state employment growth is forecasted to be less than 1 percent; or
3. by a three-fifths vote of each house of the Legislature, for any other purpose.

If monies are appropriated as a result of a declaration of emergency under (1) above, the appropriation must be via separate legislation, and the expenditures are limited to the purposes of the emergency.

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*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.*

On June 26, 2015, the Governor declared a state of emergency resulting from drought conditions and multiple wildfires. Resources from various state agencies were mobilized to respond to the wildfires.

If monies are withdrawn from the Budget Stabilization Account, the state balanced budget requirement for the ensuing fiscal biennium is suspended.

**Summary of Bill:** Monies are appropriated from the Budget Stabilization Account for fiscal year 2016 to pay for the fire suppression costs of the following state agencies:

- Department of Natural Resources, \$154,966,000;
- Department of Fish and Wildlife, \$155,000; and
- Washington State Patrol, \$34,365,000.

These appropriations do not suspend the state balanced budget requirement for the ensuing fiscal biennium.

**Appropriation:** Yes

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.