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HOUSE BILL 2974

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State of Washington                      52nd Legislature                      1992 Regular Session

By Representatives Carlson, Silver, Vance and Paris

Read first time 02/07/92. Referred to Committee on Appropriations.

1            AN ACT Relating to appropriating funds for the budget stabilization  
2 account; amending RCW 43.88.520 and 43.88.530; and adding a new section  
3 to chapter 43.88 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 43.88.520 and 1981 c 280 s 1 are each amended to read  
6 as follows:

7            (1) The legislature finds that during periods of recession or  
8 slowing economic growth, receipts of state revenues may decline below  
9 projections, yet the demand for state services does not correspondingly  
10 lessen and may in fact increase. There is need for a means to assure  
11 that services required in such periods can be maintained at or near the  
12 level anticipated by the legislature when making appropriations. The  
13 legislature therefore finds that a budget stabilization account into  
14 which will be deposited state revenues during favorable periods of

1 economic activity will provide a resource for the stable financing of  
2 essential state services during periods of revenue shortfall.

3 (2) "Favorable period of economic activity" means any period of  
4 time when the economic and revenue forecast council estimates future  
5 revenue will exceed the estimated or actual revenue for the preceding  
6 biennium.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.88 RCW  
8 to read as follows:

9 (1) The legislature must appropriate an amount equal to no less  
10 than one-half percent of the revenue received in the previous biennium  
11 for the budget stabilization account until the total amount equals  
12 three and one-half percent of the revenue received in the previous  
13 biennium.

14 (2) Funds will not be transferred during a biennium if revenue has  
15 remained stable or declined compared to the revenue received in the  
16 previous biennium.

17 **Sec. 3.** RCW 43.88.530 and 1982 1st ex.s. c 36 s 2 are each amended  
18 to read as follows:

19 (1) The state treasurer, pursuant to an appropriation under section  
20 2 of this act, shall transfer to the stabilization account a sum equal  
21 to the annual growth rate in real personal income minus three  
22 percentage points, multiplied by general state revenues for the  
23 immediately preceding fiscal year. Unless waived pursuant to RCW  
24 43.88.535, transfers shall be made by the state treasurer during each  
25 biennium in eight equal amounts not later than the last day of each  
26 quarter commencing September 30, 1983.

27 (2) The state treasurer pursuant to appropriation shall transfer  
28 the unobligated cash surplus in the general fund as determined by the

1 director of financial management after the conclusion of each biennium  
2 and following the certification of general state revenues by the state  
3 treasurer, provided that such revenues do not exceed the state tax  
4 revenue limit. No further deposits shall be made to the stabilization  
5 account during a biennium when the amount of the account equals or  
6 exceeds eight percent of general state revenues for the biennium.