

1 SB345  
2 192224-1  
3 By Senator Chambliss  
4 RFD: Finance and Taxation General Fund  
5 First Read: 27-FEB-18

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8 SYNOPSIS: Under existing law, revenues calculated for  
9 an upcoming budget include unrealized growth that  
10 may or may not occur. This unrealized growth is  
11 available for appropriation by the Legislature.

12 This bill limits the amount that may be  
13 appropriated annually from the State General Fund  
14 to that received in the previous twelve months with  
15 some exceptions; provides for the disposition of  
16 revenues in excess of appropriations; creates and  
17 funds the General Fund Budget Reserve Fund and the  
18 General Fund Capital Fund; provides for the  
19 appropriation and use of the amounts deposited into  
20 the funds; provides for the distribution of State  
21 General Fund revenues exceeding appropriations  
22 annually; and caps the amount of taxes and revenues  
23 designated by general law for purposes other than  
24 education to the amount credited in the fiscal year  
25 ending September 30, 2019.

26  
27 A BILL

1 TO BE ENTITLED

2 AN ACT

3  
4 To provide for the maximum amount that may be  
5 appropriated annually from the State General Fund; to provide  
6 for the disposition of revenues in excess of appropriations;  
7 to create and fund the General Fund Budget Reserve Fund and  
8 the General Fund Capital Fund; to transfer twenty-five percent  
9 (25%) of unspent and reverted State General Fund  
10 appropriations to the funds; to provide for the appropriation  
11 of amounts deposited into the funds; to provide for the  
12 distribution of State General Fund revenues exceeding  
13 appropriations annually; and to cap the amount of taxes and  
14 revenues designated by general law for purposes other than  
15 education to the amount credited in the fiscal year ending  
16 September 30, 2019.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. This act shall be known and may be cited  
19 as the General Fund Budget Reform Act.

20 Section 2. Beginning with appropriations made for  
21 the fiscal year ending September 30, 2020, appropriations from  
22 the State General Fund shall not exceed the revenues collected  
23 and credited to the State General Fund during the preceding  
24 twelve months prior to the start of the regular session of the  
25 Legislature less any nonrecurring revenues credited to the  
26 State General Fund. For purposes of this bill, "nonrecurring  
27 revenue" means revenue of any kind that is deposited into the

1 State General Fund and is not considered a permanent and  
2 continuing source of revenue. The Director of Finance and the  
3 Deputy Director of the Legislative Services Agency-Fiscal  
4 Division shall certify the computation by the third  
5 legislative day of each regular session.

6 Section 3. (a) There is hereby created the General  
7 Fund Budget Reserve Fund and the General Fund Capital Fund  
8 within the State Treasury. Any monetary interest which accrues  
9 to the General Fund Budget Reserve Fund and the General Fund  
10 Capital Fund shall be retained in the respective fund from  
11 year to year and shall be subject only to the provisions of  
12 this act.

13 (b) On or before November 15 of each fiscal year,  
14 beginning with the fiscal year ending September 30, 2020,  
15 seventy-five percent (75%) of unexpended and reverted General  
16 Fund monies for the immediately preceding fiscal year shall be  
17 reappropriated to the respective offices for the current  
18 fiscal year. The actual percentage of unspent and reverted  
19 State General Fund monies reappropriated each fiscal year  
20 shall be specified in the annual General Fund Appropriations  
21 Act.

22 (c) The remaining twenty-five percent (25%) of the  
23 unexpended and reverted General Fund monies shall be  
24 transferred to the General Fund Budget Reserve Fund and the  
25 General Fund Capital Fund created by this act as follows:

26 (1) First, to the General Fund Budget Reserve Fund  
27 until the balance in the fund equals ten percent (10%) of the

1 appropriations from the State General Fund from the previous  
2 fiscal year.

3 (2) Funds in excess of those transferred pursuant to  
4 paragraph (1) shall be transferred to the General Fund Capital  
5 Fund.

6 Section 4. Amounts in the General Fund Budget  
7 Reserve Fund shall be available for appropriation by and  
8 through an independent supplemental appropriation bill to  
9 provide funding necessary to address natural disasters or  
10 other emergencies for which federal aid is not available; to  
11 offset a reduction in estimated revenues to fund the General  
12 Fund for the current fiscal year; for unexpected one-time  
13 expenses; or for routine expenses during extenuating  
14 circumstances. Amounts in the General Fund Budget Reserve Fund  
15 shall be budgeted and allotted in accordance with Sections  
16 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12.

17 Section 5. Amounts in the General Fund Capital Fund  
18 shall be appropriated by and through an independent  
19 supplemental appropriation bill to provide funding for  
20 critical one-time capital improvements. Amounts in the General  
21 Fund Capital Fund shall be budgeted and allotted in accordance  
22 with Sections 41-4-80 through 41-4-96 and Sections 41-19-1  
23 through 41-19-12. Preference shall be given to capital  
24 improvement projects that create efficiencies and cost savings  
25 for state government.

26 Section 6. Beginning with fiscal year ending  
27 September 30, 2020, in any fiscal year that revenues to the

1 State General Fund exceed the amounts appropriated from the  
2 State General Fund, the excess revenues shall be transferred  
3 to the General Fund Budget Reserve Fund on or before November  
4 15 of the succeeding fiscal year. If the General Fund Budget  
5 Reserve Fund balance equals ten percent (10%) of the  
6 appropriations from the State General Fund from the previous  
7 fiscal year, any remaining excess revenues shall be  
8 transferred to the General Fund Capital Fund.

9 Section 7. All taxes and revenues specifically  
10 designated by general law for purposes other than education  
11 shall be limited to no more than the amount credited in the  
12 fiscal year ending September 30, 2019. Any collections from  
13 taxes and revenues specifically designated by general law for  
14 purposes other than education in excess of this limitation,  
15 shall be credited to the State General Fund.

16 Section 8. This act shall become effective  
17 immediately following its passage and approval by the  
18 Governor, or its otherwise becoming law.