

1 SB126
2 199633-2
3 By Senator Chambliss
4 RFD: Finance and Taxation General Fund
5 First Read: 19-MAR-19

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 To provide for the maximum amount that may be
12 appropriated annually from the State General Fund; to provide
13 for the disposition of revenues in excess of appropriations;
14 to create and fund the State General Fund Budget Reserve Fund
15 and the State General Fund Capital Fund; to provide for the
16 appropriation of amounts deposited into the funds; to provide
17 for the disposition of unspent and reverted State General Fund
18 appropriations to the funds; and to provide for the
19 distribution of State General Fund revenues exceeding
20 appropriations annually.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

24 Section 2. For purposes of this act, the following
25 terms shall have the following meanings:

26 (1) CAPITAL IMPROVEMENTS. Capital outlay projects
27 that include the planning, designing, inspection, purchasing,

1 construction, reconstruction, improvement, repair or
2 renovation of permanent buildings, structures and sites
3 therefor for the executive, legislative or judicial branches
4 of state government, and the procurement of technical
5 equipment, including computer and telecommunications
6 equipment, required for the operation of any governmental
7 entity.

8 (2) ESTIMATED GROWTH. The estimated increase in
9 recurring revenues for the fiscal year, as compared to the
10 actual total of recurring revenues credited to the State
11 General Fund in the most recently completed fiscal year.

12 (3) NONRECURRING REVENUE. Revenue of any kind or
13 type that is deposited into the State General Fund and that is
14 not recurring revenue. Any balance remaining in the State
15 General Fund at the end of any fiscal year, and transfers from
16 the State General Fund Rainy Day Account, and the State
17 General Fund Reserve Fund shall be nonrecurring revenue.

18 (4) RECURRING REVENUES. Any permanent and continuing
19 source of revenue of any kind or type that has been enacted,
20 established, or provided for in fiscal years prior to the
21 fiscal year for which it is to be included in the calculation
22 of the fiscal year appropriation limitation for the State
23 General Fund.

24 (5) STATE GENERAL FUND APPROPRIATION. Any
25 appropriation made directly from the State General Fund. The
26 term shall not include appropriations made to any entity from
27 federal funds or from any state revenue source or fund in the

1 State Treasury other than the State General Fund. This
2 definition also does not include appropriations to any entity
3 that derives all of its appropriated funds from sources other
4 than the State General Fund.

5 (6) STATE GENERAL FUND APPROPRIATION LIMITATION. The
6 maximum amount of appropriations that may be made from the
7 State General Fund for any fiscal year pursuant to this
8 chapter.

9 Section 3. Beginning with appropriations made for
10 the fiscal year ending September 30, 2023, appropriations from
11 the State General Fund shall not exceed the State General Fund
12 appropriation limitation. The Director of Finance and the
13 Deputy Director of the Legislative Services Agency - Fiscal
14 Division shall each certify their computation of the State
15 General Fund appropriation limitation imposed by this act no
16 later than the third day of each regular session.

17 Section 4. The State General Fund appropriation
18 limitation shall be equal to the sum of all the following:

19 (1) The total of recurring revenues deposited into
20 the State General Fund in the last completed fiscal year
21 preceding the date on which the State General Fund
22 appropriation limitation is certified as provided in this act.

23 (2) The total of nonrecurring revenue shall be added
24 as a part of the fiscal year appropriation limitation for the
25 fiscal year in which the nonrecurring revenue is deposited
26 into the State General Fund.

1 (3) The following amounts in the following fiscal
2 years in order to phase in the transition to the State General
3 Fund appropriation limitation:

4 a. For appropriations made for the fiscal year
5 ending September 30, 2023, eighty percent of the estimated
6 growth. In addition, the estimated beginning balance for
7 fiscal year ending September 30, 2023, excluding any amount
8 that is available for (1) reappropriation or (2) transfer to
9 the State General Fund Budget Reserve Fund as provided in
10 Sections 5 and 8 of this act, shall be added as a part of the
11 State General Fund appropriation limitation.

12 b. For appropriations made for the fiscal year
13 ending September 30, 2024, sixty percent of the estimated
14 growth.

15 c. For appropriations made for the fiscal year
16 ending September 30, 2025, forty percent of the estimated
17 growth.

18 d. For appropriations made for the fiscal year
19 ending September 30, 2026, twenty percent of the estimated
20 growth.

21 (4) Amounts reappropriated as provided in Section 5
22 of this act.

23 (5) Increases in estimated appropriations, based
24 upon the availability of funds, the recommendation of the
25 Director of Finance, and the approval of the Governor. For
26 purposes of this section, "increases in estimated
27 appropriations" means any increase in any of the following

1 required expenditures that occurs following the enactment of
2 the general appropriations act and prior to the end of the
3 fiscal year for which the appropriation is made:

4 a. Arrest of Absconding Felons, as provided in
5 Sections 15-9-1 and 15-9-3, Code of Alabama 1975.

6 b. Automatic Appeal Expense, as provided in Sections
7 12-22-150 and 12-22-241, Code of Alabama 1975.

8 c. Court Costs, as provided in Act No. 558, 1957,
9 Page 777.

10 d. Distribution of Public Documents, as provided in
11 Sections 36-14-1, 36-14-11, 17-5-11, and 41-21-8, Code of
12 Alabama 1975.

13 e. Election Expenses, as provided in Section
14 17-16-7, Code of Alabama 1975.

15 f. Fair Trial Tax Transfer for indigent defense
16 expenses, as provided in Chapter 12 of Title 15 of the Code of
17 Alabama 1975.

18 g. Feeding of Prisoners in county jails, as provided
19 in Sections 14-6-42 and 14-6-43, Code of Alabama 1975.

20 h. Finance, Department of - CMIA, as provided in
21 Section 41-4-38, Code of Alabama 1975.

22 i. Finance, Department of - FEMA, as required to pay
23 the state match for FEMA grants related to a Presidentially
24 declared man made, technological, biological, or natural
25 disaster.

26 j. Governor's Conference, National.

1 k. Governor's Proclamation Expenses, as provided in
2 Sections 17-12-18 and 17 14 53, Code of Alabama 1975.

3 l. Governor's Widow Retirement, as provided in
4 Section 36-13-12, Code of Alabama 1975.

5 m. Law Enforcement Fund.

6 n. Law Enforcement Legal Defense, as provided in
7 Section 36-21-1, Code of Alabama 1975.

8 o. Military Department - Emergency Active Duty Pay,
9 as provided in Section 31-2-133, Code of Alabama 1975.

10 p. Printing of Codes and Supplements - Secretary of
11 State, as provided in Sections 41-21-1 through 41-21-8, Code
12 of Alabama 1975.

13 q. Printing of Legislative Acts and Journals.

14 r. Registration of Voters - Photo Voter
15 Identification, as provided in Section 17 9 30, Code of
16 Alabama 1975.

17 s. Registration of Voters - Voter Registrars, as
18 provided in Sections 17-3-5 and 17-3-57, Code of Alabama 1975.

19 t. Removal of Prisoners, as provided in Sections
20 15-10-70 through 15-10-73, 15-9-62, 15-9-65, and 15-9-81, Code
21 of Alabama 1975.

22 Section 5. (a) There is hereby created the State
23 General Fund Budget Reserve Fund and the State General Fund
24 Capital Fund within the State Treasury. Any monetary interest
25 which accrues to the State General Fund Budget Reserve Fund
26 and the State General Fund Capital Fund shall be retained in

1 the respective fund from year to year and shall be subject
2 only to the provisions of this act.

3 (b) (1) On or before June 1, 2024 and on or before
4 June 1 of each fiscal year thereafter, eighty percent (80%) of
5 unexpended and reverted State General Fund appropriations for
6 the immediately preceding fiscal year shall be reappropriated
7 to the respective offices for the current fiscal year, in an
8 amount not to exceed twenty five percent (25%) of the total
9 annual budget of each respective office, unless otherwise
10 approved by a joint resolution of the Legislature, subject to
11 the receipt of an approved capital improvement plan from the
12 respective office. Any unexpended and reverted State General
13 Fund monies remaining under this subdivision (1) shall be
14 transferred to the State General Fund Capital Fund. The
15 Alabama Medicaid Agency shall be excluded from the
16 requirements in this Section and shall continue to be
17 administered in accordance with Section 22-6-3.

18 (2) The remaining twenty percent (20%) of the
19 unexpended and reverted State General Fund appropriations
20 shall be transferred to the State General Fund Budget Reserve
21 Fund until the balance in the fund equals ten percent (10%) of
22 the appropriations from the State General Fund from the
23 previous fiscal year.

24 (3) In any fiscal year when the balance in the State
25 General Fund Budget Reserve Fund equals ten percent (10%) of
26 the appropriations from the State General Fund from the
27 previous fiscal year, one hundred percent (100%) of unexpended

1 and reverted State General Fund appropriations for the
2 immediately preceding fiscal year shall be reappropriated to
3 the respective offices for the current fiscal year.

4 Section 6. Amounts in the State General Fund Budget
5 Reserve Fund shall be available for appropriation by and
6 through an independent supplemental appropriation bill to
7 provide funding necessary to address natural disasters or
8 other emergencies for which federal aid is not available; for
9 unexpected one time expenses; and for routine expenses during
10 extenuating circumstances. Amounts appropriated from the State
11 General Fund Budget Reserve Fund pursuant to this act shall be
12 budgeted and allotted in accordance with Sections 41-4-80
13 through 41-4-96 and Sections 41-19-1 through 41-19-12.

14 Section 7. Amounts in the State General Fund Capital
15 Fund shall be appropriated by and through an independent
16 supplemental appropriation bill to provide funding for
17 critical one time capital improvements. Amounts in the State
18 General Fund Capital Fund shall be budgeted and allotted in
19 accordance with Sections 41-4-80 through 41-4-96 and Sections
20 41-19-1 through 41-19-12. Preference shall be given to capital
21 improvement projects that create efficiencies and cost savings
22 for state government.

23 Section 8. (a) At the conclusion of the fiscal year
24 ending September 30, 2019, if revenues to the State General
25 Fund exceed State General Fund appropriations for the same
26 fiscal year by more than one hundred eighty-five million
27 dollars (\$185,000,000), then twenty percent (20%) of the

1 excess revenues above one hundred eighty-five million dollars
2 (\$185,000,000) shall be transferred to the State General Fund
3 Budget Reserve Fund on or before June 1 of the succeeding
4 fiscal year.

5 (b) At the conclusion of the fiscal year ending
6 September 30, 2020, if revenues to the State General Fund
7 exceed State General Fund appropriations for the same fiscal
8 year by more than one hundred twenty million dollars
9 (\$120,000,000), then forty percent (40%) of the excess
10 revenues above one hundred twenty million dollars
11 (\$120,000,000) shall be transferred to the State General Fund
12 Budget Reserve Fund on or before June 1 of the succeeding
13 fiscal year.

14 (c) At the conclusion of the fiscal year ending
15 September 30, 2021, if revenues to the State General Fund
16 exceed State General Fund appropriations for the same fiscal
17 year by more than eighty-five million dollars (\$85,000,000),
18 then fifty percent (60%) of the excess revenues above
19 eighty-five million dollars (\$85,000,000) shall be transferred
20 to the State General Fund Budget Reserve Fund on or before
21 June 1 of the succeeding fiscal year. If the State General
22 Fund Budget Reserve Fund balance equals ten percent (10%) of
23 the appropriations from the State General Fund from the
24 previous fiscal year, any remaining excess revenues shall be
25 transferred to the State General Fund Capital Fund.

26 (d) At the conclusion of the fiscal year ending
27 September 30, 2022, if revenues to the State General Fund

1 exceed State General Fund appropriations for the same fiscal
2 year by more than forty million dollars (\$40,000,000), then
3 eighty percent (80%) of the excess revenues above forty
4 million dollars (\$40,000,000) shall be transferred to the
5 State General Fund Budget Reserve Fund on or before June 1 of
6 the succeeding fiscal year. If the State General Fund Budget
7 Reserve Fund balance equals ten percent (10%) of the
8 appropriations from the State General Fund from the previous
9 fiscal year, any remaining excess revenues shall be
10 transferred to the State General Fund Capital Fund.

11 (e) Beginning with the fiscal year ending September
12 30, 2023, in any fiscal year that revenues to the State
13 General Fund exceed the State General Fund appropriation
14 limitation, the excess revenues shall be transferred to the
15 State General Fund Budget Reserve Fund on or before June 1 of
16 the succeeding fiscal year. If the State General Fund Budget
17 Reserve Fund balance equals ten percent (10%) of the
18 appropriations from the State General Fund from the previous
19 fiscal year, any remaining excess revenues shall be
20 transferred to the State General Fund Capital Fund.

21 Section 9. Beginning with the fiscal year ending
22 September 30, 2023, in any fiscal year that revenues to the
23 State General Fund are not sufficient to pay all of the
24 amounts appropriated from the State General Fund for the year
25 in full, funds may be withdrawn from the State General Fund
26 Budget Reserve Fund only in an amount equal to fifty percent
27 (50%) of the deficit in the State General Fund revenues for

1 the year. Withdrawals from the Budget Reserve Fund shall be
2 limited to an amount necessary to reach the average of the
3 estimated State General Fund appropriation limitation
4 certified pursuant to Section 3 of this act. In any year in
5 which a withdrawal is made to offset a deficit, the Governor
6 shall certify to the state comptroller and notify the
7 Legislature that proration would occur in appropriations from
8 the State General Fund in accordance with the constitution.
9 Any remaining revenue deficit shall be satisfied by
10 restricting allotments, increasing revenue, or a combination
11 thereof.

12 Section 10. This act shall become effective
13 immediately following its passage and approval by the
14 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate committee on Finance and Taxation General Fund ...	19-MAR-19
Read for the second time and placed on the calendar.....	03-APR-19
Read for the first time.....	19-MAR-19
Read for the third time and passed as amended	23-APR-19

Yeas 27
Nays 4

Patrick Harris,
Secretary.