

1 SB129
2 204042-4
3 By Senators Chambliss and Albritton
4 RFD: Finance and Taxation General Fund
5 First Read: 06-FEB-20

1 SB129

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4 ENROLLED, An Act,

5 To create the General Fund Budget Reserve Fund; to
6 transfer monies to the fund; and to provide for the withdrawal
7 and use of amounts deposited into the fund.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. This act shall be known as the General
10 Fund Budget Reserve Act.

11 Section 2. As used in this act, the following terms
12 shall have the following meaning:

13 (1) Ending Balance. The balance in the General Fund
14 at the conclusion of a fiscal year, excluding General Fund
15 appropriations unexpended and reverted. The term shall not
16 include any balances remaining in any fund other than the
17 General Fund.

18 (2) Beginning Balance. The balance in the General
19 Fund the first day of a fiscal year, excluding any General
20 Fund reversions. The term shall not include the beginning
21 balance in any fund other than the General Fund.

22 Section 3. There is hereby created within the State
23 Treasury the General Fund Budget Reserve Fund, to which monies
24 shall be deposited as provided in this act and as appropriated
25 by the Legislature. Monies which accrue to the Budget Reserve

1 Fund shall not be subject to withdrawal except as provided in
2 this act. Any monetary interest which accrues to the General
3 Fund Budget Reserve Fund shall be retained in the fund from
4 year to year and shall be subject only to the provisions of
5 this act.

6 Section 4. (a) Beginning on October 1, 2020 and on
7 October 1 of each fiscal year thereafter, there is hereby
8 transferred into the General Fund Budget Reserve Fund
9 established in Section 3, twenty percent (20%) of the ending
10 balance in the General Fund from the previous fiscal year that
11 was unanticipated and unappropriated by the Legislature as a
12 beginning balance in the current fiscal year. The Legislature
13 shall set forth the amount of the beginning balance
14 anticipated and appropriated in the General Fund appropriation
15 each year beginning in the General Fund appropriation act for
16 the fiscal year beginning October 1, 2020. The Finance
17 Director shall transfer twenty percent (20%) of the
18 unanticipated and unappropriated beginning balance by November
19 15 of each year.

20 (b) The transfer authorized pursuant to subsection
21 (a) above shall be made each year when the balance in the
22 General Fund Budget Reserve Fund at the end of a fiscal year
23 is less than one-hundred million dollars (\$100,000,000).

24 Section 5. (a) Except as provided in subsection (b),
25 amounts in the General Fund Budget Reserve Fund may be

1 withdrawn only to prevent proration in the General Fund. The
2 Governor must certify to the state Comptroller and notify the
3 Legislature that proration would occur in the General Fund
4 before funds may be withdrawn to prevent proration. Following
5 the certification and notification by the Governor,
6 withdrawals may be made from the General Fund Budget Reserve
7 Fund to prevent proration; however, the withdrawals shall be
8 limited to the amount of the anticipated proration and funds
9 allotted only to the extent necessary to avoid proration of
10 appropriations from the General Fund. Any funds withdrawn from
11 the General Fund Budget Reserve Fund in excess of the amount
12 necessary to avoid proration shall be transferred back to the
13 General Fund Budget Reserve Fund within 30 days after the end
14 of the fiscal year in which withdrawals are made.

15 (b) Amounts in the General Fund Budget Reserve Fund
16 may be withdrawn by and through an independent supplemental
17 appropriation bill enacted with a recorded vote of at least
18 two-thirds of the membership of each legislative chamber to
19 provide funding necessary for any of the following:

20 (1) To offset a reduction in estimated revenues to
21 the General Fund for the current fiscal year.

22 (2) To fund state employee pay raises or bonuses.

23 (3) To provide funding for unanticipated
24 obligations.

1 (c) No funds may be appropriated pursuant to
2 subsection (b) until the balance of the General Fund Budget
3 Reserve Fund at the end of the previous fiscal year equals or
4 exceeds fifty million dollars (\$50,000,000).

5 (d) Amounts appropriated from the General Fund
6 Budget Reserve Fund pursuant to subsection (b) shall be
7 budgeted and allotted in accordance with Sections 41-4-80
8 through 41-4-96 and Sections 41-19-1 through 41-19-12.

9 Section 6. This act shall become effective
10 immediately following its passage and approval by the
11 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB129

Senate 05-MAY-20

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris,
Secretary.

House of Representatives
Passed: 07-MAY-20

By: Senator Chambliss