

1 SB12  
2 162759-1  
3 By Senator Sanford  
4 RFD: Finance and Taxation Education  
5 First Read: 03-MAR-15  
6 PFD: 01/27/2015

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8 SYNOPSIS: This bill provides for the establishment of  
9 the Alabama Recurring Revenue Fund and provides for  
10 the distribution of the proceeds of the recurring  
11 revenue sources of the Education Trust Fund and the  
12 State General Fund initially into this fund to be  
13 allocated to the Education Trust Fund and the State  
14 General Fund based upon the percentages established  
15 in this bill.

16  
17 A BILL  
18 TO BE ENTITLED  
19 AN ACT  
20

21 To establish the Alabama Recurring Revenue Fund as a  
22 separate fund within the state treasury the balance of which  
23 shall be distributed to the Education Trust Fund and the State  
24 General Fund.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. For the purposes of this act, the  
27 following words shall have the following meanings:

1                   (1) EDUCATION TRUST FUND. An account in the State  
2 Treasury into which are deposited certain revenues paid to the  
3 State of Alabama that are earmarked or set aside for  
4 appropriation for public educational purposes.

5                   (2) FISCAL YEAR. The fiscal year of the State of  
6 Alabama that begins on October 1 and ends on September 30.

7                   (3) NONRECURRING REVENUE. Revenue of any kind or  
8 type dedicated by statute or otherwise for deposit into the  
9 Education Trust Fund or the State General Fund and that is not  
10 recurring revenue. Any balance remaining in the Education  
11 Trust Fund or the State General Fund at the end of any fiscal  
12 year, and one-time transfers for a single fiscal year or  
13 multiple fiscal years from the Abandoned Property Trust Fund,  
14 the Alabama Trust Fund, the Business Privilege Escrow Fund,  
15 the Education Trust Fund Rainy Day Account, the State General  
16 Fund Rainy Day Account, the Education Trust Fund Budget  
17 Stabilization Fund, the Public School and College Authority or  
18 any other fund shall be nonrecurring revenue.

19                   (4) RECURRING REVENUE. Any existing permanent and  
20 continuing source of revenue to the Education Trust Fund or  
21 the State General Fund of any kind or type that has been  
22 enacted, established, or provided for in fiscal years prior to  
23 the current fiscal year or any new revenue source enacted for  
24 the current and/or future fiscal year which is permanent and  
25 continuing.

26                   (5) STATE GENERAL FUND. An account in the State  
27 Treasury into which are deposited certain revenues paid to the

1 State of Alabama that are earmarked or set aside for  
2 appropriation for state government operating purposes.

3 Section 2. (a) There is hereby established in the  
4 State Treasury a separate fund known as the Alabama Recurring  
5 Revenue Fund, into which shall be initially deposited all  
6 recurring revenues dedicated for the Education Trust Fund and  
7 the State General Fund. The Alabama Recurring Revenue Fund  
8 shall be separate from the Education Trust Fund and the State  
9 General Fund.

10 (b) Notwithstanding any other provision of law to  
11 the contrary, the amounts standing in the Alabama Recurring  
12 Revenue Fund on the last day of each month that receipts from  
13 recurring revenues are deposited in the Fund shall be  
14 distributed to the Education Trust Fund and the State General  
15 Fund based on the following percentages:

16 (i) Education Trust Fund -- seventy-eight percent  
17 (78%)

18 (ii) State General Fund -- twenty-two percent (22%)

19 (c) The Department of Revenue shall review and  
20 certify that the monthly distribution to the Education Trust  
21 Fund is sufficient to ensure that the Education Trust Fund  
22 receives a total amount of revenue which is at least equal to  
23 the amount of income tax receipts that would have been  
24 deposited into the Education Trust Fund prior to the enactment  
25 of this bill.

26 Section 3. The provisions of this bill shall not  
27 affect the implementation of the Education Trust Fund Rolling

1 Reserve Act. For the purposes of determining the fiscal year  
2 appropriation cap under that act, the amounts distributed to  
3 the Education Trust Fund pursuant to this act shall be  
4 interpreted to be the recurring revenues of the Education  
5 Trust Fund.

6 Section 4. All laws or parts of laws which conflict  
7 with this act are repealed.

8 Section 5. This act shall become effective October  
9 1, 2015.