

1 SB424
2 168370-1
3 By Senator Sanford
4 RFD: Finance and Taxation Education
5 First Read: 28-APR-15

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 -- 80 percent

17 (ii) State General Fund -- 20 percent.

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

25 Section 3. The provisions of this bill shall not
26 affect the implementation of the Education Trust Fund Rolling
27 Reserve Act. For the purposes of determining the fiscal year

1 appropriation cap under that act, the amounts distributed to
2 the Education Trust Fund pursuant to this act shall be
3 interpreted to be the recurring revenues of the Education
4 Trust Fund.

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6 with this act are repealed.

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