

Department of Planning and Budget 2003 Fiscal Impact Statement

1. Bill Number SB960

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Chichester

3. Committee Passed Both Houses

4. Title Revenue Stabilization Fund

5. Summary/Purpose: The bill would require the Governor to include in his budget recommendations an additional amount for deposit to the Revenue Stabilization Fund in excess of any mandatory deposit required by Article X, Section 8 of the Constitution of Virginia if the annual percentage increase in the certified tax revenues is eight percent or greater than the certified tax revenues for the immediately preceding fiscal year and if such annual percentage increase is also equal to or greater than 1.5 times the average annual percentage increase in the certified tax revenues for the six fiscal years immediately preceding the most recently ended fiscal year. Any such additional amount would have to be equal to at least 25 percent of the product of the certified tax revenues collected in the most recently ended fiscal year multiplied by the difference between the annual percentage increase in the certified tax revenues collected for the most recently ended fiscal year and the average annual percentage increase in the certified tax revenues collected in the six fiscal years immediately preceding the most recently ended fiscal year (one-half of the amount required for the mandatory deposit). Under the provisions of the bill, any such additional deposit to the Fund would be included in the Governor's budget recommendations only if the estimate of general fund revenues for the fiscal year in which the deposit is to be made is at least five percent greater than the actual general fund revenues for the immediately preceding fiscal year.

6. Fiscal impact: Based upon the most recent estimates of tax revenues provided by the Department of Taxation, no additional deposits in excess of mandatory deposit to the Revenue Stabilization Fund would be required through at least FY 2007. If this provision had been in effect since the Revenue Stabilization Fund was created, an additional deposit of \$61.9 million would have been required in FY 1998 (based on certified tax revenues collected in FY 1997) and an additional deposit of \$97.1 million would have been required in FY 1999 (based on certified tax revenues in FY 1998).

7. Budget amendments necessary: No.

8. Fiscal implications: See Item 6.

9. Specific agency or political subdivisions affected: Department of Accounts; Department of Taxation; Auditor of Public Accounts.

10. Technical amendment necessary: No.

11. Other comments: This bill is identical to HB 1872 as passed by both the House and the Senate.

Date: 02/22/03/mar

Document: G:\LEGIS\2003\FIS\Sb960er.DOC

cc: Secretary of Finance
Auditor of Public Accounts