

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB1454

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

**2. Patron:** Hanger

**3. Committee:** Finance

**4. Title:** Assignment of year-end surplus.

**5. Summary:** This bill provides that if the total amount of general fund revenues actually disbursed or expended at the end of the fiscal year is less than the total amount of general fund revenues actually disbursed or expended for the immediately preceding fiscal year, the Comptroller would assign any general fund balance remaining for any required deposit to the Revenue Stabilization Fund, but thereafter would make no further assignment of the general fund balance.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary.

**8. Fiscal Implications:** This bill could impact all future determinations of the designation of year-end general fund balances (or remaining amounts of general fund) depending on whether or not the year-end general fund expenditures are less than that of the preceding year. If so, no assignments of the balances are made, other than an amount required for the full deposit to the Revenue Stabilization Fund. Any year-end balances remaining after the full deposit to the Revenue Stabilization Fund will be retained in the general fund and counted as part of the unappropriated general fund balance to be carried forward to the next fiscal year.

This bill would override the currently-required assignment of year-end balances for:

- deposit to the Water Quality Improvement Fund;
- general fund capital outlay reappropriations;
- general fund operating expense reappropriations and reappropriations of unexpended appropriations to certain institutions of higher education;
- pro rata rebate payments to certain institutions of higher education;
- unappropriated general fund balance anticipated in the general appropriation act for the year-end; and
- interest payments on deposits of certain institutions of higher education.

In addition, this bill would override the provision that any remaining balances after the above assignments are fully met are to be divided as follows: one-third for nonrecurring

expenditures, and two-thirds for deposit to the Transportation Trust Fund.

**9. Specific Agency or Political Subdivisions Affected:** Department of Accounts, Department of Planning and Budget, any agency or program receiving year-end balances.

**10. Technical Amendment Necessary:** Line 26, strike “shall be assigned by the Comptroller” as this unnecessary.

**11. Other Comments:** Language clarifying the exact specification of the general fund balance at year-end that is to be assigned by the Comptroller is needed. Suggested replacement language:

- Line 25, after “the general fund balance,” strike remainder of line and insert: “*that is not otherwise restricted or committed for other usage within the general fund, pursuant to this Code or as provided under the general appropriation act covering the fiscal year just ended*”.
- Line 26, strike “the general fund shall be assigned by the Comptroller”.
- Line 28, after “full amounts required for,” strike remainder of line and insert: “*other restrictions or commitments, pursuant to this Code or as provided under the general appropriation act covering the fiscal year just ended have been met, including but not limited to (i)*”.
- Line 64, after “the general fund balance,” strike remainder of line and insert: “*that is not otherwise restricted or committed for other usage within the general fund, pursuant to this Code or as provided under the general appropriation act covering the fiscal year just ended*”.
- Line 65, strike “or assigned for other usage within the general fund” (as is already done in this bill).
- Line 66, after “amounts required for,” strike remainder of line and insert: “*other restrictions or commitments, pursuant to this Code or as provided under the general appropriation act covering the fiscal year just ended are met, including but not limited to*”.

**Date:** January 31, 2011

c: Secretary of Finance