

Department of Planning and Budget

2002 Fiscal Impact Statement

1. Bill Number HB353

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Purkey

3. Committee

4. Title Reduction in general fund appropriations by Governor

5. Summary/Purpose:

Whenever general fund revenue collections for a period of six months or more show year to date revenue growth in excess of one percent below the official estimate upon which the appropriations act is based for such fiscal year, the Governor shall institute across the board percentage reduction in general fund appropriations to all executive branch agencies, which shall equal at least one-half of the revenue shortfall. Such actions shall be communicated to the chairmen of the money committees within five days of the adoption.

6. No Fiscal Impact.

The fiscal impact cannot be measured until such time as a reduction is actually triggered.

7. Budget amendment necessary:

No.

8. Fiscal implications:

The trigger for the reduction could occur close to the end of the fiscal year.

9. Specific agency or political subdivisions affected:

All general fund agencies, excluding the legislative and judicial branches.

10. Technical amendment necessary:

No.

11. Other comments:

The executive branch agencies would be subject to the reduction, but not the general fund agencies in the legislative and judicial branches. The Governor would have no discretion to modify the reduction except in the case of the public safety agencies. The bill conflicts with § 4-1.04a. of the General Provisions of the Appropriation Act, which is the current authority for the Governor to withhold appropriations in the event of a revenue shortfall. The Appropriation Act, if not amended, would prevail over HB353.

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cc:SecretaryofFinance