

1 SB126
2 197983-1
3 By Senator Chambliss
4 RFD: Finance and Taxation General Fund
5 First Read: 19-MAR-19

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8 SYNOPSIS: Under existing law, revenues calculated for
9 an upcoming budget include unrealized growth that
10 may or may not occur. This unrealized growth is
11 available for appropriation by the Legislature.

12 This bill limits the amount that may be
13 appropriated annually from the State General Fund
14 to that received during the fiscal year immediately
15 preceding the beginning of the regular session of
16 the Legislature with some exceptions; provides for
17 the disposition of revenues in excess of
18 appropriations; creates and funds the General Fund
19 Budget Reserve Fund and the General Fund Capital
20 Fund; provides for the appropriation and use of the
21 amounts deposited into the funds; provides for the
22 distribution of State General Fund revenues
23 exceeding appropriations annually; and caps the
24 amount of certain taxes and revenues designated by
25 general law to the amount credited in the fiscal
26 year ending September 30, 2020.

1 A BILL
2 TO BE ENTITLED
3 AN ACT
4

5 To provide for the maximum amount that may be
6 appropriated annually from the State General Fund; to provide
7 for the disposition of revenues in excess of appropriations;
8 to create and fund the General Fund Budget Reserve Fund and
9 the General Fund Capital Fund; to transfer twenty percent
10 (20%) of unspent and reverted State General Fund
11 appropriations to the funds; to provide for the appropriation
12 of amounts deposited into the funds; to provide for the
13 distribution of State General Fund revenues exceeding
14 appropriations annually; and to cap the amount of certain
15 taxes and revenues designated by general law to the amount
16 credited in the fiscal year ending September 30, 2020.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. This act shall be known and may be cited
19 as the General Fund Budget Reform Act.

20 Section 2. Beginning with appropriations made for
21 the fiscal year ending September 30, 2021, except as provided
22 in Sections 3 and 4 of this act, appropriations from the State
23 General Fund shall not exceed the recurring revenues collected
24 and credited to the State General Fund during the fiscal year
25 immediately preceding the beginning of the regular session of
26 the Legislature. For purposes of this act, "recurring
27 revenues" means all revenues credited to the State General

1 Fund, less any revenues that are not determined to be a
2 permanent and continuing source of revenue to the State
3 General Fund. The Director of Finance and the Deputy Director
4 of the Legislative Services Agency - Fiscal Division shall
5 each certify their computation of the State General Fund
6 appropriation limitation imposed by this act no later than the
7 third day of each regular session.

8 Section 3. To provide for a phase-in of the State
9 General Fund appropriation limitation, the following amounts
10 shall be added to the limitation in the following fiscal
11 years. For purposes of this section "estimated growth" means
12 the estimated increase in recurring revenues for the fiscal
13 year, compared to the immediately preceding fiscal year.

14 (a) For appropriations made for the fiscal year
15 ending September 30, 2021, eighty percent of the estimated
16 growth.

17 (b) For appropriations made for the fiscal year
18 ending September 30, 2022, sixty percent of the estimated
19 growth.

20 (c) For appropriations made for the fiscal year
21 ending September 30, 2023, forty percent of the estimated
22 growth.

23 (d) For appropriations made for the fiscal year
24 ending September 30, 2024, twenty percent of the estimated
25 growth.

26 Section 4. Increases in estimated appropriations
27 shall be added to the State General Fund appropriation

1 limitation, based upon the availability of funds, the
2 recommendation of the Director of Finance, and the approval of
3 the Governor. For purposes of this section, "increases in
4 estimated appropriations" means any increase in any of the
5 following required expenditures that occurs following the
6 enactment of the general appropriations act and prior to the
7 end of the fiscal year for which the appropriation is made:

8 (a) Arrest of Absconding Felons, as provided in
9 Sections 15-9-1 and 15-9-3, Code of Alabama 1975.

10 (b) Automatic Appeal Expense, as provided in
11 Sections 12-22-150 and 12-22-241, Code of Alabama 1975.

12 (c) Court Costs, as provided in Act No. 558, 1957,
13 Page 777.

14 (d) Distribution of Public Documents, as provided in
15 Sections 36-14-1, 36-14-11, 17-5-11, and 41-21-8, Code of
16 Alabama 1975.

17 (e) Election Expenses, as provided in Section
18 17-16-7, Code of Alabama 1975.

19 (f) Fair Trial Tax Transfer for indigent defense
20 expenses, as provided in Chapter 12 of Title 15 of the Code of
21 Alabama 1975.

22 (g) Feeding of Prisoners in county jails, as
23 provided in Sections 14-6-42 and 14-6-43, Code of Alabama
24 1975.

25 (h) Finance, Department of - CMIA, as provided in
26 Section 41-4-38, Code of Alabama 1975.

1 (i) Finance, Department of - FEMA, as required to
2 pay the state match for FEMA grants related to a
3 Presidentially declared man made, technological, biological,
4 or natural disaster.

5 (j) Governor's Conference, National.

6 (k) Governor's Proclamation Expenses, as provided in
7 Sections 17-12-18 and 17-14-53, Code of Alabama 1975.

8 (l) Governor's Widow Retirement, as provided in
9 Section 36-13-12, Code of Alabama 1975.

10 (m) Law Enforcement Fund.

11 (n) Law Enforcement Legal Defense, as provided in
12 Section 36-21-1, Code of Alabama 1975.

13 (o) Military Department - Emergency Active Duty Pay,
14 as provided in Section 31-2-133, Code of Alabama 1975.

15 (p) Printing of Codes and Supplements - Secretary of
16 State, as provided in Sections 41-21-1 through 41-21-8, Code
17 of Alabama 1975.

18 (q) Printing of Legislative Acts and Journals.

19 (r) Registration of Voters - Photo Voter
20 Identification, as provided in Section 17-9-30, Code of
21 Alabama 1975.

22 (s) Registration of Voters - Voter Registrars, as
23 provided in Sections 17-3-5 and 17-3-57, Code of Alabama 1975.

24 (t) Removal of Prisoners, as provided in Sections
25 15-10-70 through 15-10-73, 15-9-62, 15-9-65, and 15-9-81, Code
26 of Alabama 1975.

1 Section 5. (a) There is hereby created the General
2 Fund Budget Reserve Fund and the General Fund Capital Fund
3 within the State Treasury. Any monetary interest which accrues
4 to the General Fund Budget Reserve Fund and the General Fund
5 Capital Fund shall be retained in the respective fund from
6 year to year and shall be subject only to the provisions of
7 this act.

8 (b) (1) On or before November 15, 2021 and on or
9 before November 15 of each fiscal year thereafter, eighty
10 percent (80%) of unexpended and reverted General Fund
11 appropriations for the immediately preceding fiscal year shall
12 be reappropriated to the respective offices for the current
13 fiscal year, in an amount not to exceed twenty-five percent
14 (25%) of the total annual budget of each respective office,
15 unless otherwise approved by a joint resolution of the
16 Legislature, subject to the receipt of an approved capital
17 improvement plan from the respective office. Any unexpended
18 and reverted General Fund monies remaining under this
19 subdivision (1) shall be transferred to the General Fund
20 Capital Fund.

21 (2) The remaining twenty percent (20%) of the
22 unexpended and reverted General Fund appropriations shall be
23 transferred to the General Fund Budget Reserve Fund until the
24 balance in the fund equals ten percent (10%) of the
25 appropriations from the State General Fund from the previous
26 fiscal year.

1 (3) In any fiscal year when the balance in the
2 General Fund Budget Reserve Fund equals ten percent (10%) of
3 the appropriations from the State General Fund from the
4 previous fiscal year, one-hundred percent (100%) of unexpended
5 and reverted General Fund appropriations for the immediately
6 preceding fiscal year shall be reappropriated to the
7 respective offices for the current fiscal year.

8 Section 6. Amounts in the General Fund Budget
9 Reserve Fund shall be available for appropriation by and
10 through an independent supplemental appropriation bill to
11 provide funding necessary to address natural disasters or
12 other emergencies for which federal aid is not available; to
13 offset a reduction in estimated revenues to fund the General
14 Fund for the current fiscal year; for unexpected one-time
15 expenses; or for routine expenses during extenuating
16 circumstances. Amounts in the General Fund Budget Reserve Fund
17 shall be budgeted and allotted in accordance with Sections
18 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12.

19 Section 7. Amounts in the General Fund Capital Fund
20 shall be appropriated by and through an independent
21 supplemental appropriation bill to provide funding for
22 critical one-time capital improvements. Amounts in the General
23 Fund Capital Fund shall be budgeted and allotted in accordance
24 with Sections 41-4-80 through 41-4-96 and Sections 41-19-1
25 through 41-19-12. Preference shall be given to capital
26 improvement projects that create efficiencies and cost savings
27 for state government.

1 Section 8. Beginning with fiscal year ending
2 September 30, 2021, in any fiscal year that revenues to the
3 State General Fund exceed the amounts appropriated from the
4 State General Fund, the excess revenues shall be transferred
5 to the General Fund Budget Reserve Fund on or before November
6 15 of the succeeding fiscal year. If the General Fund Budget
7 Reserve Fund balance equals ten percent (10%) of the
8 appropriations from the State General Fund from the previous
9 fiscal year, any remaining excess revenues shall be
10 transferred to the General Fund Capital Fund.

11 Section 9. Beginning with the fiscal year ending
12 September 30, 2021, in any fiscal year that revenues to the
13 State General Fund are not sufficient to pay all of the
14 amounts appropriated from the State General Fund for the year
15 in full, money may be withdrawn from the General Fund Budget
16 Reserve Fund only in an amount equal to fifty (50%) of the
17 deficit in the State General Fund revenues for the year. Any
18 remaining revenue deficit shall be satisfied by restricting
19 allotments, increasing revenue, or a combination thereof.

20 Section 10. All state taxes and revenues
21 specifically distributed by general law for purposes other
22 than education, nursing homes, hospitals, transportation,
23 veterans' assistance, and local government, shall be limited
24 to no more than the amount credited in the fiscal year ending
25 September 30, 2020. Any collections from taxes and revenues in
26 excess of this limitation, shall be credited to the State
27 General Fund.

1 Section 11. The provisions of this act shall not
2 apply to any professional or regulatory board, bureau, agency,
3 or commission that does not receive an annual appropriation
4 from the State General Fund and that receives funding from
5 permit or license fees.

6 Section 12. This act shall become effective
7 immediately following its passage and approval by the
8 Governor, or its otherwise becoming law.