

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6367-02
Bill No.: Perfected HCS for HB 2600
Subject: Taxation and Revenue - General; State Treasurer
Type: Original
Date: March 30, 2016

Bill Summary: This proposal changes the laws regarding the surplus revenue fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$0	\$0 or (up to \$127,300,000)	\$0
Total Estimated Net Effect on General Revenue	\$0	\$0 or (up to \$127,300,000)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Surplus Revenue Fund	\$0	\$0 or up to \$127,300,000	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0 or up to \$127,300,000	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Treasurer** and **Department of Revenue** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Office of Administration - Budget and Planning** estimates that the revenue to be deposited in the Surplus Revenue Fund would not be available for deposit before the last few days of June, 2017. According to the Division of Accounting, the cutoff date for state payments is June 26th. If the funds are unavailable until after that date, mandatory expenditures, such as Medicaid payments, may not be made before the fiscal year ends.

Oversight assumes that either general revenue collections will exceed \$18,207,600,000 and there will be an up to \$127,300,000 diversion to the Surplus Revenue Fund or the target will not be met and there will be no diversion from the General Revenue Fund. The estimated net General Revenue collections for FY16 is \$8.673 billion according to the Senate Appropriations 2015 Annual Fiscal Report.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Cost</u> - Transfer to Surplus Revenue Fund	<u>\$0</u>	<u>\$0 or (up to \$127,300,000)</u>	<u>\$0</u>
NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0 or (up to \$127,300,000)</u>	<u>\$0</u>
SURPLUS REVENUE FUND			
<u>Income</u> - Transfer from General Revenue Fund	<u>\$0</u>	<u>\$0 or up to \$127,300,000</u>	<u>\$0</u>
NET EFFECT ON SURPLUS REVENUE FUND	<u>\$0</u>	<u>\$0 or up to \$127,300,000</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

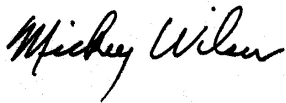
FISCAL DESCRIPTION

The proposed legislation would transfer funds from the General Revenue Fund to the Surplus Revenue Fund if the General Revenue Fund collections meet a certain target.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
Office of the State Treasurer
Department of Revenue



Mickey Wilson, CPA
Director
March 30, 2016

Ross Strope
Assistant Director
March 30, 2016