

1 HB465
2 204042-3
3 By Representative Mooney
4 RFD: Ways and Means General Fund
5 First Read: 04-MAY-20

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8 SYNOPSIS: This bill creates and funds the General Fund
9 Budget Reserve Fund and provides for the withdrawal
10 and use of the amounts deposited into the fund.
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12 A BILL
13 TO BE ENTITLED
14 AN ACT
15

16 To create the General Fund Budget Reserve Fund; to
17 transfer monies to the fund; and to provide for the withdrawal
18 and use of amounts deposited into the fund.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. This act shall be known as the General
21 Fund Budget Reserve Act.

22 Section 2. As used in this act, the following terms
23 shall have the following meaning:

24 (1) Ending Balance. The balance in the General Fund
25 at the conclusion of a fiscal year, excluding General Fund
26 appropriations unexpended and reverted. The term shall not

1 include any balances remaining in any fund other than the
2 General Fund.

3 (2) Beginning Balance. The balance in the General
4 Fund the first day of a fiscal year, excluding any General
5 Fund reversions. The term shall not include the beginning
6 balance in any fund other than the General Fund.

7 Section 3. There is hereby created within the State
8 Treasury the General Fund Budget Reserve Fund, to which monies
9 shall be deposited as provided in this act and as appropriated
10 by the Legislature. Monies which accrue to the Budget Reserve
11 Fund shall not be subject to withdrawal except as provided in
12 this act. Any monetary interest which accrues to the General
13 Fund Budget Reserve Fund shall be retained in the fund from
14 year to year and shall be subject only to the provisions of
15 this act.

16 Section 4. (a) Beginning on October 1, 2020 and on
17 October 1 of each fiscal year thereafter, there is hereby
18 transferred into the General Fund Budget Reserve Fund
19 established in Section 3, twenty percent (20%) of the ending
20 balance in the General Fund from the previous fiscal year that
21 was unanticipated and unappropriated by the Legislature as a
22 beginning balance in the current fiscal year. The Legislature
23 shall set forth the amount of the beginning balance
24 anticipated and appropriated in the General Fund appropriation
25 each year beginning in the General Fund appropriation act for
26 the fiscal year beginning October 1, 2020. The Finance
27 Director shall transfer twenty percent (20%) of the

1 unanticipated and unappropriated beginning balance by November
2 15 of each year.

3 (b) The transfer authorized pursuant to subsection
4 (a) above shall be made each year when the balance in the
5 General Fund Budget Reserve Fund at the end of a fiscal year
6 is less than one-hundred million dollars (\$100,000,000).

7 Section 5. (a) Except as provided in subsection (b),
8 amounts in the General Fund Budget Reserve Fund may be
9 withdrawn only to prevent proration in the General Fund. The
10 Governor must certify to the state Comptroller and notify the
11 Legislature that proration would occur in the General Fund
12 before funds may be withdrawn to prevent proration. Following
13 the certification and notification by the Governor,
14 withdrawals may be made from the General Fund Budget Reserve
15 Fund to prevent proration; however, the withdrawals shall be
16 limited to the amount of the anticipated proration and funds
17 allotted only to the extent necessary to avoid proration of
18 appropriations from the General Fund. Any funds withdrawn from
19 the General Fund Budget Reserve Fund in excess of the amount
20 necessary to avoid proration shall be transferred back to the
21 General Fund Budget Reserve Fund within 30 days after the end
22 of the fiscal year in which withdrawals are made.

23 (b) Amounts in the General Fund Budget Reserve Fund
24 may be withdrawn by and through an independent supplemental
25 appropriation bill enacted with a recorded vote of at least
26 two-thirds of the membership of each legislative chamber to
27 provide funding necessary for any of the following:

1 (1) To offset a reduction in estimated revenues to
2 the General Fund for the current fiscal year.

3 (2) To fund state employee pay raises or bonuses.

4 (3) To provide funding for unanticipated
5 obligations.

6 (c) No funds may be appropriated pursuant to
7 subsection (b) until the balance of the General Fund Budget
8 Reserve Fund at the end of the previous fiscal year equals or
9 exceeds fifty million dollars (\$50,000,000).

10 (d) Amounts appropriated from the General Fund
11 Budget Reserve Fund pursuant to subsection (b) shall be
12 budgeted and allotted in accordance with Sections 41-4-80
13 through 41-4-96 and Sections 41-19-1 through 41-19-12.

14 Section 6. This act shall become effective
15 immediately following its passage and approval by the
16 Governor, or its otherwise becoming law.