

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1873 (PCB AP 04-26) Budget Stabilization Fund (Repayment)
SPONSOR(S): Appropriations; Brummer
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Appropriations	30 Y, 0 N	Kearney	Baker
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

HB 1873 specifically authorizes the Legislature to prepay amounts into the Budget Stabilization Fund for future years.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

The Budget Stabilization Fund was created by constitutional amendment in 1992 and was first funded beginning in the 1994-1995 fiscal year. Over the next four years, increasing funding was required until, as is presently the case, the fund must be maintained at a level of at least 5% of the last completed fiscal year's net revenue collections for the General Revenue Fund but not more than 10% of that figure. Art. III, s. 19(g), Fla. Const.

Section 215.32, F.S., sets out the procedure for making payments into the Budget Stabilization Fund. The Chief Financial Officer makes the transfer after being authorized by the Governor, pursuant to appropriation made by the Legislature.

The bill amends s. 215.32, F.S., to authorize prepayments into the Budget Stabilization Fund for a future year. The appropriation must specifically designate the subsequent year for which the funds are to be applied. This provides the Legislature with flexibility to better budget its funds.

C. SECTION DIRECTORY:

Section 1. Amends s. 215.32, F.S., to allow for prepayment of transfers to the Budget Stabilization Fund.

Section 2. Provides that the act is effective July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

Prepaid expenditure amounts are not required changed, but the bill would allow for better planning and budget flexibility.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

No impact on local governments

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: Not applicable. This bill does not appear to affect municipal or county government.

2. Other:

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES