Statement of Estimated State Revenue Impact

Date: April 2, 2013

Bill Number: H. 3533


Committee Requesting Impact: Ways and Means

Bill Summary

REVENUE IMPACT
This bill would have no impact on state General Fund revenue. Annual appropriations would be limited to the lessor of the current limitations contained in Section 11-11-410, the adjusted base-year estimate increased by six percent, or the adjusted base-year estimate increased by the percentage growth in population and the consumer price index.

The Division of State Budget is the appropriate entity to address any expenditure impact associated with this bill.

Explanation
This bill provides that General Fund revenue available for appropriations is limited to the lessor of the current limitations pursuant to Section 11-11-410, the adjusted base-year estimate increased by six percent, or the adjusted base-year estimate increased by the percentage growth in population and the consumer price index. The adjusted base-year estimate is defined as the Board of Economic Advisors February 15, 2013 General Fund estimate for FY 2013-14 including recurring and nonrecurring revenues. The General Assembly may declare an emergency and suspend the limitations for any one fiscal year by a specific amount by enactment of legislation relating only to this matter. All General Fund revenue collections in excess of the appropriations limit are allocated to the newly created Spending Limit Reserve Fund. Revenues from this fund must first replenish the General Reserve Fund if necessary. Remaining balances may be appropriated for temporary tax reductions, infrastructure improvements, school buildings, school buses, and expenses.
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because of a natural disaster. This act would take effect for appropriations made for FY 2014-15.

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Chief Economist

Analyst: Shuford

This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.