

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0487-02
Bill No.: Perfected SS for SB 28
Subject: Governor: Taxation and Revenue - General
Type: Original
Date: April 15, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$97,009)	(\$40,811)	(\$41,833)
Total Estimated Net Effect on General Revenue Fund	(\$97,009)	(\$40,811)	(\$41,833)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** indicated that the proposal would not affect their office, administratively.

Officials of the **State Treasurer** note that: 1) the Treasurer is to approve disbursements from the Budget Stabilization Fund, and 2) the Budget Stabilization Fund would be a subaccount of the General Revenue Fund.

The Treasurer normally approves disbursements on funds which the Treasurer also administers. The Treasurer would be the custodian of the Budget Stabilization. The Treasurer would request an Account Analyst I to monitor disbursements from the Fund. (If the duty to approve disbursements from the Fund were removed, the Treasurer would not request additional personnel.)

Officials note that the state accounting system is not set up for subaccounts. The Treasurer's system was designed to accommodate the state accounting and cannot distribute interest below the fund level. They state that reconfiguring the Treasurer's interest distribution system to distribute interest at the subaccount level would require one-time systems analysis and

programming costs of about \$60,000. (If the Fund were an account of the General Revenue Fund
ASSUMPTION (continued)

instead of a subaccount, there would be no need to redesign the Treasurer's systems.)

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Cost - State Treasurer (STO)</u>			
Personal Service (1 FTE)	(\$23,442)	(\$28,833)	(\$29,554)
Fringe Benefits	(\$9,487)	(\$11,669)	(\$11,961)
Expense and Equipment	<u>(\$64,080)</u>	<u>(\$309)</u>	<u>(\$318)</u>
	(\$97,009)	(\$40,811)	(\$41,833)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$97,009)</u>	<u>(\$40,811)</u>	<u>(\$41,833)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<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.

DESCRIPTION

This proposal would specify calculation of the revenue estimate upon which the Governor would prepare budget recommendations.

It would also establish a Supplemental Budget Stabilization Fund, a subaccount of the General Revenue Fund, for general revenues received which exceed the maximum of general revenue appropriations allowed by this proposal. Fund moneys would be available for appropriation by the General Assembly from the first day of a fiscal year or any subsequent fiscal year.

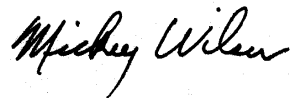
The State Treasurer would be custodian of the Fund and would approve disbursements from the Fund.

DESCRIPTION (continued)

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

SOURCES OF INFORMATION

Office of the Governor
State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 15, 2003