

SENATE BILL REPORT

SB 5199

As of January 18, 2011

Title: An act relating to transferring funds from the budget stabilization account to the general fund.

Brief Description: Transferring funds from the budget stabilization account to the general fund.

Sponsors: Senator Murray; by request of Office of Financial Management.

Brief History:

Committee Activity: Ways & Means:

SENATE COMMITTEE ON WAYS & MEANS

Staff: Steve Jones (786-7440)

Background: The Budget Stabilization Account (BSA), also known as the Rainy Day Fund, was created by a constitutional amendment approved by the voters in 2007. The State Treasurer must transfer 1 percent of general state revenues into the BSA annually. (General state revenues are all revenues to the state General Fund other than state property tax revenues, which are dedicated to schools.) Transfers into the BSA during the 2011-13 biennium are projected to total \$289.6 million.

Withdrawals from the BSA require a three-fifths vote of each house of the Legislature unless: (1) the employment growth forecast made by the Economic and Revenue Forecast Council for that fiscal year is less than 1 percent; or (2) the Governor declares a state of emergency resulting from a catastrophic event that requires government action to protect life or safety. In those cases, the Legislature may withdraw monies from the BSA with a majority vote of each house.

Employment growth for Fiscal Year 2009 was -2.0 percent and -3.9 percent for 2010, and is projected to be 0.1 percent for 2011. Under the economic and revenue forecast adopted in November 2010, employment growth for Fiscal Years 2012 and 2013 are projected to be 2.2 percent and 2.8 percent, respectively.

During the 2009-11 biennium, the Legislature withdrew \$274.1 million from the BSA to the General Fund.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The State Treasurer is directed to transfer \$140,098,000 (or as much as is available) from the BSA into the state General Fund for Fiscal Year 2011, and \$149,484,000 (or as much as is available) from the BSA into the state General Fund for Fiscal Year 2012.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.