SB90

145394-1

By Senators Sanford and Beason

RFD: Finance and Taxation Education

First Read: 05-FEB-13
SYNOPSIS: This bill provides for the establishment of the Alabama Recurring Revenue Fund and provides for the distribution of the proceeds of the recurring revenue sources of the Education Trust Fund and the State General Fund initially into this fund to be allocated to the Education Trust Fund and the State General Fund based upon the percentages established in this bill.

A BILL
TO BE ENTITLED
AN ACT

To establish the Alabama Recurring Revenue Fund as a separate fund within the state treasury the balance of which shall be distributed to the Education Trust Fund and the State General Fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. For the purposes of this act, the following words shall have the following meanings:
(1) EDUCATION TRUST FUND. An account in the State Treasury into which are deposited certain revenues paid to the State of Alabama that are earmarked or set aside for appropriation for public educational purposes.

(2) FISCAL YEAR. The fiscal year of the State of Alabama that begins on October 1 and ends on September 30.

(3) NONRECURRING REVENUE. Revenue of any kind or type dedicated by statute or otherwise for deposit into the Education Trust Fund or the State General Fund and that is not recurring revenue. Any balance remaining in the Education Trust Fund or the State General Fund at the end of any fiscal year, and one-time transfers for a single fiscal year or multiple fiscal years from the Abandoned Property Trust Fund, the Alabama Trust Fund, the Business Privilege Escrow Fund, the Education Trust Fund Rainy Day Account, the State General Fund Rainy Day Account, the Education Trust Fund Budget Stabilization Fund, the Public School and College Authority or any other fund shall be nonrecurring revenue.

(4) RECURRING REVENUE. Any existing permanent and continuing source of revenue to the Education Trust Fund or the State General Fund of any kind or type that has been enacted, established, or provided for in fiscal years prior to the current fiscal year or any new revenue source enacted for the current and/or future fiscal year which is permanent and continuing.

(5) STATE GENERAL FUND. An account in the State Treasury into which are deposited certain revenues paid to the
State of Alabama that are earmarked or set aside for appropriation for state government operating purposes.

Section 2. (a) There is hereby established in the State Treasury a separate fund known as the Alabama Recurring Revenue Fund, into which shall be initially deposited all recurring revenues dedicated for the Education Trust Fund and the State General Fund. The Alabama Recurring Revenue Fund shall be separate from the Education Trust Fund and the State General Fund.

(b) Notwithstanding any other provision of law to the contrary, the amounts standing in the Alabama Recurring Revenue Fund on the last day of each month that receipts from recurring revenues are deposited in the Fund shall be distributed to the Education Trust Fund and the State General Fund based on the following percentages:

(i) Education Trust Fund -- seventy-eight percent (78%)

(ii) State General Fund -- twenty-two percent (22%)

(c) The Department of Revenue shall review and certify that the monthly distribution to the Education Trust Fund is sufficient to ensure that the Education Trust Fund receives a total amount of revenue which is at least equal to the amount of income tax receipts that would have been deposited into the Education Trust Fund prior to the enactment of this bill.

Section 3. The provisions of this bill shall not affect the implementation of the Education Trust Fund Rolling
Reserve Act. For the purposes of determining the fiscal year appropriation cap under that act, the amounts distributed to the Education Trust Fund pursuant to this act shall be interpreted to be the recurring revenues of the Education Trust Fund.

Section 4. All laws or parts of laws which conflict with this act are repealed.

Section 5. This act shall become effective October 1, 2013.