

1 HB656
2 169220-1
3 By Representatives Ainsworth, Mooney, Farley, Holmes (M),
4 Moore (B), Butler, Henry, Williams (P) and Williams (JW)
5 RFD: Ways and Means Education
6 First Read: 12-MAY-15

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8 SYNOPSIS: This bill provides for the establishment of
9 the Alabama Recurring Revenue Fund and provides for
10 the distribution of the proceeds of the recurring
11 revenue sources of the Education Trust Fund and the
12 State General Fund initially into this fund to be
13 allocated to the Education Trust Fund and the State
14 General Fund based upon the percentages established
15 in this bill.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT
20

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

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. For the purposes of this act, the
27 following words shall have the following meanings:

1 (1) EDUCATION TRUST FUND. An account in the State
2 Treasury into which are deposited certain revenues paid to the
3 State of Alabama that are earmarked or set aside for
4 appropriation for public educational purposes.

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

7 (3) NONRECURRING REVENUE. Revenue of any kind or
8 type dedicated by statute or otherwise for deposit into the
9 Education Trust Fund or the State General Fund and that is not
10 recurring revenue. Any balance remaining in the Education
11 Trust Fund or the State General Fund at the end of any fiscal
12 year, and one-time transfers for a single fiscal year or
13 multiple fiscal years, as agreed upon by the Legislative
14 Fiscal Office and the Executive Budget Office, from the
15 Abandoned Property Trust Fund, the Alabama Trust Fund, the
16 Business Privilege Escrow Fund, the Education Trust Fund Rainy
17 Day Account, the State General Fund Rainy Day Account, the
18 Education Trust Fund Budget Stabilization Fund, the Public
19 School and College Authority or any other fund shall be
20 nonrecurring revenue.

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

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

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

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

18 (i) Education Trust Fund -- seventy-eight percent
19 (78%)

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

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

1 Section 3. The provisions of this bill shall not
2 affect the implementation of the Education Trust Fund Rolling
3 Reserve Act. For the purposes of determining the fiscal year
4 appropriation cap under that act, the amounts distributed to
5 the Education Trust Fund pursuant to this act shall be
6 interpreted to be the recurring revenues of the Education
7 Trust Fund. Notwithstanding Section 29-9-3(b)(4), Code of
8 Alabama 1975, any reduction of recurring revenues to the
9 Education Trust Fund as a result of Section 2 shall not affect
10 the appropriation cap calculation for fiscal year 2016.

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

13 Section 5. This act shall become effective October
14 1, 2015.