

SB2088



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB2088

Introduced 2/20/2009, by Sen. Chris Lauzen

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.719 new

Creates the Taxpayer Bill of Rights Spending Limitation Act. Establishes fiscal year spending limits based on inflation and population changes. Creates an Emergency Reserve Cash Fund, requires transfers to the Fund based on revenues limits, and requires expenditures only for emergencies and from appropriations adopted by a two-thirds vote of the House and Senate. Allows transfer of excess amounts in the Fund. Amends the State Finance Act to create the Fund. Effective immediately.

LRB096 08364 RCE 18474 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Taxpayer Bill of Rights Spending Limitation Act.

6 Section 5. Definitions.

7 "Calendar year" means January 1 of any year through
8 December 31 of the same year.

9 "Emergency" means an extraordinary event or occurrence
10 that could not have been reasonably foreseen or prevented and
11 that requires immediate expenditure to preserve the health,
12 safety, and general welfare of the people. "Emergency" does not
13 mean a revenue shortfall or budget shortfall.

14 "Fiscal year" means July 1 of any year through June 30 of
15 the following year.

16 "Fiscal year spending" means the total amount of moneys
17 appropriated by the State except: (1) appropriated funds
18 received from the federal government; (2) principal and
19 interest on bonded indebtedness; (3) appropriations funded by
20 unemployment and disability insurance funds; (4)
21 appropriations funded from permanent endowment, trust funds,
22 or pension funds; or (5) proceeds of gifts or bequests made for
23 purposes specified by the donor.

1 "Inflation" means the Consumer Price Index (all items) for
2 the United States of America, or any comparable index, as
3 computed by the Bureau of Labor Statistics.

4 "Per capita expenditures" mean the quotient derived from
5 dividing expenditures of the State for a fiscal year by its
6 population on the first day of that fiscal year.

7 "Population" means the number of people residing in the
8 State; excluding armed forces stationed overseas, as
9 determined by the United States Bureau of Census.

10 "Total State revenues" means all moneys derived from the
11 State's own revenue sources.

12 Section 10. Spending limits.

13 (a) For any fiscal year that commences on or after July 1,
14 2010, the maximum annual percentage change in State fiscal year
15 spending equals inflation plus the percentage change in State
16 population in the prior calendar year, adjusted for approved
17 revenue changes. Population shall be determined by annual
18 federal census estimates, and that number shall be adjusted as
19 the federal census data is adjusted.

20 (b) If the amount of total State revenue for the prior
21 fiscal year exceeds the amount of total State revenue for the
22 next preceding fiscal year, the maximum amount of total State
23 revenues shall be the lesser of the amount of total State
24 revenues for the prior State fiscal year or the amount of total
25 State revenues limit for the prior fiscal year plus the product

1 of the applicable amount and the sum of inflation and the
2 percentage change in State population in the prior calendar
3 year.

4 (c) If the amount of total State revenues for the prior
5 fiscal year is less than the amount of total State revenues for
6 the next preceding fiscal year, the maximum amount of the total
7 State revenues shall be the amount of total State revenues
8 limit for the most recent year for which the amount of total
9 State revenues exceeded the amount of total State revenues for
10 the preceding fiscal year.

11 Section 15. Emergency Reserve Fund.

12 (a) For any State fiscal year that commences on or after
13 July 1, 2010 and before making any transfers to the Budget
14 Stabilization Fund or any refunds as required by this Act, the
15 State Treasurer shall transfer revenues in excess of the total
16 State revenues limit determined under this Act, to the
17 Emergency Reserve Cash Fund, which is hereby created, to the
18 extent necessary to ensure that the balance of the Fund at the
19 end of the fiscal year is an amount equal to 50% of the total
20 State revenues limit. The State shall not be required to
21 transfer any moneys other than revenue in excess of the total
22 State revenues limit to the fund. Unused revenues apply to the
23 next State fiscal year's emergency reserve fund. The Emergency
24 Reserve Cash Fund shall be in addition to, and shall not be
25 used to meet, any other reserve requirement of law.

1 (b) Moneys in the Emergency Reserve Cash Fund may be
2 expended for declared emergencies only. Appropriation from the
3 Fund can only occur upon a two-thirds vote of all elected
4 members of each house of the Illinois General Assembly
5 concurring therein. Interest or other income earned on the
6 Emergency Reserve Cash Fund shall accrue to the fund.

7 Section 20. Budget Stabilization Fund.

8 (a) For any State fiscal year that commences on or after
9 July 1, 2010, if revenue from sources not excluded from total
10 State revenues exceeds the limit on total State revenues
11 calculated in accordance with this Act, for that fiscal year,
12 the excess shall be reserved or refunded as follows:

13 (1) The State Treasurer shall first transfer the excess
14 to the Emergency Reserve Cash Fund to the extent necessary
15 to ensure that the balance of the Fund at the end of the
16 fiscal year is an amount equal to 50% of the total State
17 revenues limit for the fiscal year as required by this Act.
18 The State Treasurer shall transfer any additional excess to
19 the Budget Stabilization Fund to the extent necessary to
20 ensure that the balance of the Fund at the end of the
21 fiscal year is an amount equal to 50% of the total State
22 revenues limit for the fiscal year. Interest or other
23 income earned on the Budget Stabilization Fund shall accrue
24 to the Fund.

25 (2) For any State fiscal year that commences on or

1 after July 1, 2010, if an amount of the total State
2 revenues is less than the amount of total State revenues
3 for the prior fiscal year, the State Treasurer shall
4 transfer money from the Budget Stabilization Fund to the
5 General Revenue Fund in an amount equal to the difference
6 between the amount of total State revenues for the prior
7 fiscal year and the amount of total State revenues for the
8 fiscal year. Under no other circumstances shall the State
9 Treasurer transfer moneys from the Budget Stabilization
10 Fund.

11 (3) Any excess that remains after the State Treasurer
12 has made the transfers required by paragraph (2) of this
13 Section shall be reserved in the current fiscal year and
14 refunded during the next fiscal year through temporary
15 income or sales tax rate reductions.

16 Section 95. The State Finance Act is amended by adding
17 Section 5.719 as follows:

18 (30 ILCS 105/5.719 new)

19 Sec. 5.719. The Emergency Reserve Cash Fund.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.