

AN ACT in relation to the State Comptroller.

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

Section 1. Short title. This Act may be cited as the
Budget Stabilization Act.

Section 5. Budget Stabilization Fund. The Budget
Stabilization Fund is a special fund in the State treasury
established for the purpose of reducing the need for future
tax increases, maintaining the highest possible bond rating,
reducing the need for short term borrowing, providing
available resources to meet State obligations whenever casual
deficits or failures in revenue occur, and providing the
means of addressing budgetary shortfalls. In authorizing
transfers from the Budget Stabilization Fund, whenever
possible, priority consideration should be given to meeting
obligations for secondary and elementary education, child
care, and other programs that may provide a direct benefit to
children.

Section 10. Budget limitations.

(a) In addition to Section 50-5 of the State Budget Law
of the Civil Administrative Code of Illinois, the General
Assembly's appropriations and transfers or diversions as
required by law from general funds shall not exceed 99.5% of
the estimated general funds revenues for the fiscal year when
revenue estimates of the State's general funds revenues
exceed the prior fiscal year's estimated general funds
revenues by more than 4%.

(b) The General Assembly's appropriations and transfers
or diversions as required by law from general funds shall not
exceed 99% of the estimated general funds revenues for the

fiscal year when revenue estimates of the State's general funds revenues exceed the prior fiscal year's estimated general funds revenues by more than 4% for 2 or more consecutive fiscal years.

(c) For the purpose of this Act, "estimated general funds revenues" include, for each budget year, all taxes, fees, and other revenues expected to be deposited into the State's general funds, including recurring transfers from other State funds into the general funds.

Year-over-year comparisons used to determine the percentage growth factor of estimated general funds revenues shall exclude the sum of the following: (i) expected revenues resulting from new taxes or fees or from tax or fee increases during the first year of the change, (ii) expected revenues resulting from one-time receipts or non-recurring transfers in, (iii) expected proceeds resulting from borrowing, and (iv) increases in federal grants that must be completely appropriated based on the terms of the grants.

Section 15. Transfers to Budget Stabilization Fund. In furtherance of the State's objective for the Budget Stabilization Fund to have resources representing 5% of the State's annual general funds revenues:

(a) For each fiscal year when the General Assembly's appropriations and transfers or diversions as required by law from general funds do not exceed 99.5% of the estimated general funds revenues pursuant to subsection (a) of Section 10, the Comptroller shall transfer from the General Revenue Fund as provided by this Section a total amount equal to .5% of the estimated general funds revenues to the Budget Stabilization Fund.

(b) For each fiscal year when the General Assembly's appropriations and transfers or diversions as required by law from general funds do not exceed 99% of the estimated general

funds revenues pursuant to subsection (b) of Section 10, the Comptroller shall transfer from the General Revenue Fund as provided by this Section a total amount equal to 1% of the estimated general funds revenues to the Budget Stabilization Fund.

(c) The Comptroller shall transfer 1/12 of the total amount to be transferred each fiscal year under this Section into the Budget Stabilization Fund on the first day of each month of that fiscal year or as soon thereafter as possible. The balance of the Budget Stabilization Fund shall not exceed 5% of the total of general funds revenues estimated for that fiscal year except as provided by subsection (d) of this Section.

(d) If the balance of the Budget Stabilization Fund exceeds 5% of the total general funds revenues estimated for that fiscal year, the additional transfers are not required unless there are outstanding liabilities under Section 25 of the State Finance Act from prior fiscal years. If there are such outstanding Section 25 liabilities, then the Comptroller shall continue to transfer 1/12 of the total amount identified for transfer to the Budget Stabilization Fund on the first day of each month of that fiscal year or as soon thereafter as possible to be reserved for those Section 25 liabilities. Nothing in this Act prohibits the General Assembly from appropriating additional moneys into the Budget Stabilization Fund.

(e) On or before August 31 of each fiscal year, the amount determined to be transferred to the Budget Stabilization Fund shall be reconciled to actual general funds revenues for that fiscal year. The final transfer for each fiscal year shall be adjusted so that the amount transferred is equal to the percentage specified in subsection (a) or (b) of Section 10 of this Act, as applicable, based on actual general funds revenues calculated

consistently with subsection (c) of Section 10 of this Act for each fiscal year.

(f) For the fiscal year beginning July 1, 2006 and for each fiscal year thereafter, the budget proposal to the General Assembly shall identify liabilities incurred in a prior fiscal year under Section 25 of the State Finance Act and the budget proposal shall provide funding as allowable pursuant to subsection (d) of this Section, if applicable.

Section 90. The State Finance Act is amended by changing Section 6z-51 as follows:

(30 ILCS 105/6z-51)

Sec. 6z-51. Budget Stabilization Fund.

(a) The Budget Stabilization Fund, a special fund in the State Treasury, shall consist of moneys appropriated or transferred to that Fund, as provided in Section 6z-43 and as otherwise provided by law. All earnings on Budget Stabilization Fund investments shall be deposited into that Fund.

(b) The State Comptroller may direct the State Treasurer to transfer moneys from the Budget Stabilization Fund to the General Revenue Fund in order to meet cash flow deficits resulting from timing variations between disbursements and the receipt of funds within a fiscal year. Any moneys so borrowed shall be repaid by June 30 of the fiscal year in which they were borrowed.

(Source: P.A. 92-11, eff. 6-11-01; 92-651, eff. 7-11-02.)

Section 99. Effective date. This Act takes effect July 1, 2004.