



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4324

Introduced 12/29/2005, by Rep. Jim Watson

SYNOPSIS AS INTRODUCED:

30 ILCS 122/10
30 ILCS 122/15

Amends the Budget Stabilization Act. Further limits the General Assembly's appropriations, transfers, and diversions from general funds in fiscal years in which estimated revenues exceed the prior fiscal year's general funds revenues and requires the transfer of the remaining revenue to the State-funded retirement systems. Sets forth requirements for the transfers to the retirement systems. Effective immediately.

LRB094 15435 BDD 50630 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning finance.

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

4 Section 10. The Budget Stabilization Act is amended by
5 changing Sections 10 and 15 as follows:

6 (30 ILCS 122/10)

7 Sec. 10. Budget limitations.

8 (a) In addition to Section 50-5 of the State Budget Law of
9 the Civil Administrative Code of Illinois, the General
10 Assembly's appropriations and transfers or diversions as
11 required by law from general funds shall not exceed 99% ~~99.5%~~
12 of the estimated general funds revenues for the fiscal year
13 when revenue estimates of the State's general funds revenues
14 exceed the prior fiscal year's estimated general funds revenues
15 by more than 4%.

16 (b) The General Assembly's appropriations and transfers or
17 diversions as required by law from general funds shall not
18 exceed 98.5 ~~99%~~ of the estimated general funds revenues for the
19 fiscal year when revenue estimates of the State's general funds
20 revenues exceed the prior fiscal year's estimated general funds
21 revenues by more than 4% for 2 or more consecutive fiscal
22 years.

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

28 Year-over-year comparisons used to determine the
29 percentage growth factor of estimated general funds revenues
30 shall exclude the sum of the following: (i) expected revenues
31 resulting from new taxes or fees or from tax or fee increases
32 during the first year of the change, (ii) expected revenues

1 resulting from one-time receipts or non-recurring transfers
2 in, (iii) expected proceeds resulting from borrowing, and (iv)
3 increases in federal grants that must be completely
4 appropriated based on the terms of the grants.

5 (Source: P.A. 93-660, eff. 7-1-04.)

6 (30 ILCS 122/15)

7 Sec. 15. Transfers to the Budget Stabilization Fund and to
8 State-funded retirement systems. In furtherance of the State's
9 objective for the Budget Stabilization Fund to have resources
10 representing 5% of the State's annual general funds revenues:

11 (a) For each fiscal year when the General Assembly's
12 appropriations and transfers or diversions as required by law
13 from general funds do not exceed 99% ~~99.5%~~ of the estimated
14 general funds revenues pursuant to subsection (a) of Section
15 10, the Comptroller shall transfer from the General Revenue
16 Fund as provided by this Section a total amount equal to .5% of
17 the estimated general funds revenues to the Budget
18 Stabilization Fund and an amount equal to 0.5% of the estimated
19 general funds revenues to the State-funded retirement systems
20 as set forth under subsection (g).

21 (b) For each fiscal year when the General Assembly's
22 appropriations and transfers or diversions as required by law
23 from general funds do not exceed 98.5% ~~99%~~ of the estimated
24 general funds revenues pursuant to subsection (b) of Section
25 10, the Comptroller shall transfer from the General Revenue
26 Fund as provided by this Section a total amount equal to 1% of
27 the estimated general funds revenues to the Budget
28 Stabilization Fund and an amount equal to 0.5% of the estimated
29 general funds revenues to the State-funded retirement systems,
30 as set forth under subsection (g).

31 (c) The Comptroller shall transfer 1/12 of the total amount
32 to be transferred each fiscal year under this Section into the
33 Budget Stabilization Fund and State-funded retirement systems,
34 as set forth under subsection (g) on the first day of each
35 month of that fiscal year or as soon thereafter as possible.

1 The balance of the Budget Stabilization Fund shall not exceed
2 5% of the total of general funds revenues estimated for that
3 fiscal year except as provided by subsection (d) of this
4 Section.

5 (d) If the total amount transferred to the State-funded
6 retirement systems in any fiscal year exceeds 5% of the total
7 general funds revenues estimated for that fiscal year, the
8 additional transfers to the retirement systems are not
9 required. If the balance of the Budget Stabilization Fund
10 exceeds 5% of the total general funds revenues estimated for
11 that fiscal year, the additional transfers are not required
12 unless there are outstanding liabilities under Section 25 of
13 the State Finance Act from prior fiscal years. If there are
14 such outstanding Section 25 liabilities, then the Comptroller
15 shall continue to transfer 1/12 of the total amount identified
16 for transfer to the Budget Stabilization Fund on the first day
17 of each month of that fiscal year or as soon thereafter as
18 possible to be reserved for those Section 25 liabilities.
19 Nothing in this Act prohibits the General Assembly from
20 appropriating additional moneys into the Budget Stabilization
21 Fund or the State-funded retirement systems, as set forth under
22 subsection (g).

23 (e) On or before August 31 of each fiscal year, the amount
24 determined to be transferred to the Budget Stabilization Fund
25 and the State-funded retirement systems, as set forth under
26 subsection (g) shall be reconciled to actual general funds
27 revenues for that fiscal year. The final transfer for each
28 fiscal year shall be adjusted so that the amount transferred is
29 equal to the percentage specified in subsection (a) or (b) of
30 Section 10 of this Act, as applicable, based on actual general
31 funds revenues calculated consistently with subsection (c) of
32 Section 10 of this Act for each fiscal year.

33 (f) For the fiscal year beginning July 1, 2006 and for each
34 fiscal year thereafter, the budget proposal to the General
35 Assembly shall identify liabilities incurred in a prior fiscal
36 year under Section 25 of the State Finance Act and the budget

1 proposal shall provide funding as allowable pursuant to
2 subsection (d) of this Section, if applicable.

3 (g) The amounts transferred to the State-funded retirement
4 systems under this Section is in addition to any other
5 transfers or appropriations to the systems that are required by
6 law. The amounts transferred to the State-funded retirement
7 systems must be transferred in the following manner:

8 (1) to the Teachers' Retirement System of Illinois, 55%
9 of the transferred amount;

10 (2) to the State Universities Retirement System, 18.1%
11 of the transferred amount;

12 (3) to the Judges Retirement System of Illinois, 2.8%
13 of the transferred amount;

14 (4) to the General Assembly Retirement System, 0.4% of
15 the transferred amount; and

16 (5) to the State Employees' Retirement System of
17 Illinois, 23.7% of the transferred amount.

18 (Source: P.A. 93-660, eff. 7-1-04.)

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