

1                                    AMENDMENT TO SENATE BILL 867

2            AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 867 by replacing  
3 everything after the enacting clause with the following:

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

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

19            Section 10. Budget limitations.

20            (a) In addition to Section 50-5 of the State Budget Law  
21 of the Civil Administrative Code of Illinois, the General

1 Assembly's appropriations and transfers or diversions as  
2 required by law from general funds shall not exceed 99.5% of  
3 the estimated general funds revenues for the fiscal year when  
4 revenue estimates of the State's general funds revenues  
5 exceed the prior fiscal year's estimated general funds  
6 revenues by more than 4%.

7 (b) The General Assembly's appropriations and transfers  
8 or diversions as required by law from general funds shall not  
9 exceed 99% of the estimated general funds revenues for the  
10 fiscal year when revenue estimates of the State's general  
11 funds revenues exceed the prior fiscal year's estimated  
12 general funds revenues by more than 4% for 2 or more  
13 consecutive fiscal years.

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

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

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

32 (a) For each fiscal year when the General Assembly's  
33 appropriations and transfers or diversions as required by law

1 from general funds do not exceed 99.5% of the estimated  
2 general funds revenues pursuant to subsection (a) of Section  
3 10, the Comptroller shall transfer from the General Revenue  
4 Fund as provided by this Section a total amount equal to .5%  
5 of the estimated general funds revenues to the Budget  
6 Stabilization Fund.

7 (b) For each fiscal year when the General Assembly's  
8 appropriations and transfers or diversions as required by law  
9 from general funds do not exceed 99% of the estimated general  
10 funds revenues pursuant to subsection (b) of Section 10, the  
11 Comptroller shall transfer from the General Revenue Fund as  
12 provided by this Section a total amount equal to 1% of the  
13 estimated general funds revenues to the Budget Stabilization  
14 Fund.

15 (c) The Comptroller shall transfer 1/12 of the total  
16 amount to be transferred each fiscal year under this Section  
17 into the Budget Stabilization Fund on the first day of each  
18 month of that fiscal year or as soon thereafter as possible.  
19 The balance of the Budget Stabilization Fund shall not exceed  
20 5% of the total of general funds revenues estimated for that  
21 fiscal year except as provided by subsection (d) of this  
22 Section.

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

1 Stabilization Fund.

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

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

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

20 (30 ILCS 105/6z-51)

21 Sec. 6z-51. Budget Stabilization Fund.

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

28 (b) The State Comptroller may direct the State Treasurer  
29 to transfer moneys from the Budget Stabilization Fund to the  
30 General Revenue Fund in order to meet cash flow deficits  
31 resulting from timing variations between disbursements and  
32 the receipt of funds within a fiscal year. Any moneys so

1 borrowed shall be repaid by June 30 of the fiscal year in  
2 which they were borrowed.

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

4 Section 99. Effective date. This Act takes effect July  
5 1, 2004."