

The House Committee on Budget & Fiscal Affairs Oversight offers the following substitute to HB 1111:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia  
2 Annotated, relating to management of budgetary and financial affairs, so as to remove certain  
3 provisions related to homeowner tax relief grants; to revise a definitions; to limit the  
4 reservation of appropriations and the withholding of allotments to specified conditions; to  
5 prohibit interference with access to lawful appropriations unless expressly authorized; to  
6 provide for related matters; to provide for an effective date; to repeal conflicting laws; and  
7 for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated,  
11 relating to management of budgetary and financial affairs, is amended by revising  
12 paragraph (15) of Code Section 45-12-71, relating to definitions, as follows:

13 "(15) 'Tax expenditure' means any statutory provision which exempts, in whole or in part,  
14 any specific class or classes of persons, income, goods, services, or property from the  
15 impact of established state taxes, including but not limited to tax deductions, tax  
16 allowances, tax exclusions, tax credits, preferential tax rates, and tax exemptions. Such  
17 term shall also include any expenditure of state tax proceeds to local governments for  
18 ~~homeowner tax relief grants~~ or local government assistance grants authorized by or  
19 required by any provision of Article VII of the Constitution."

20 **SECTION 2.**

21 Said part is further amended by revising Code Section 45-12-86, relating to Governor  
22 authorized to require state agencies to reserve specified appropriations for budget reductions  
23 and withhold a percentage of agency allotments to maintain spending within actual revenues,  
24 as follows:

25 "45-12-86.

26 ~~(a)(1) The Except as otherwise provided in subsection (c) of this Code section, the~~  
 27 Governor, during the ~~first six months~~ second quarter of a fiscal year period in which the  
 28 actual revenues received during the first quarter of such fiscal year are 1 percent less than  
 29 the actual revenues received during the same quarter of the prior fiscal year ~~the current~~  
 30 ~~revenue estimate on which appropriations are based is expected to exceed actual~~  
 31 ~~revenues~~, is authorized to require all state agencies to reserve ~~such~~ appropriations as  
 32 ~~specified by the Governor for~~ of state general funds by a percentage that shall not exceed  
 33 the percentage of such shortfall. Such requirement to reserve appropriations shall in all  
 34 cases be applied in an equal percentage across all appropriations to state agencies.

35 (2) The Governor shall notify the General Assembly of any action taken pursuant to this  
 36 subsection and provide for public notice and a public hearing regarding such action prior  
 37 to taking such action.

38 (3) The Governor shall identify budget reductions to that shall be recommended to the  
 39 General Assembly at least 30 days prior to its next regular session.

40 ~~(b)(1) The Except as otherwise provided in subsection (c) of this Code section, the~~  
 41 Governor, during the second quarter of any fiscal year ~~by in~~ which the actual revenues  
 42 received during the first quarter of such fiscal year are 1 percent less than the actual  
 43 revenues received during the same quarter of the prior fiscal year ~~current revenue~~  
 44 ~~estimate on which appropriations are based is expected to exceed actual revenues~~, is  
 45 authorized to withhold a percentage, which shall not exceed the percentage of such  
 46 shortfall, of agency allotment requests ~~as necessary to maintain spending within actual~~  
 47 revenues for state general funds, provided that the withholding shall apply in an equal  
 48 percentage to all state agencies.

49 (2) The Governor shall notify the General Assembly of any action taken pursuant to this  
 50 subsection and provide for public notice and a public hearing regarding such action prior  
 51 to taking such action.

52 (c) During any fiscal year beginning on or after July 1, 2009, in which the current revenue  
 53 estimate on which appropriations are based is expected to exceed actual revenues ~~and an~~  
 54 ~~appropriation for homeowner tax relief grants pursuant to Chapter 89 of Title 36 has been~~  
 55 ~~made which does not comply with the limitations specified under subsection (d) of Code~~  
 56 ~~Section 36-89-3~~, the Governor shall either require the state agency to which the  
 57 appropriation was made to reserve such appropriations as specified by the Governor for  
 58 budget reductions to be recommended to the General Assembly at its next regular session  
 59 or withhold the agency allotment request for such appropriation as necessary to maintain  
 60 spending within actual revenues.

61 (d) Notwithstanding subsections (a) and (b) of this Code section, the Governor shall not  
62 require the reservation of appropriations or withhold allotments of federal funds.  
63 (e) Except as expressly provided in this part, the Governor shall not interfere with,  
64 withhold, require the reservation of, or restrict access to lawful appropriations."

65 **SECTION 3.**

66 This Act shall become effective upon its approval by the Governor or upon its becoming law  
67 without such approval.

68 **SECTION 4.**

69 All laws and parts of laws in conflict with this Act are repealed.