

House Bill 1024

By: Representatives Blackmon of the 146th, Williamson of the 112th, Wade of the 9th, Hong of the 103rd, Meeks of the 178th, and others

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 repeal the
3 limitation on the maximum percentage of net revenue allowed to be held in the Revenue
4 Shortfall Reserve; to provide for related matters; to repeal conflicting laws; and for other
5 purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated,
9 relating to management of budgetary and financial affairs, is amended by revising Code
10 Section 45-12-93, relating to revenue shortfall reserve, reservation of surplus state funds,
11 appropriation and release of funds, and limitations, as follows:

12 "45-12-93.

13 (a) There shall be a reserve of state funds known as the 'Revenue Shortfall Reserve.'

14 (b) The amount of all surplus in state funds existing as of the end of each fiscal year shall
15 be reserved and added to the Revenue Shortfall Reserve. Funds in the Revenue Shortfall
16 Reserve shall carry forward from fiscal year to fiscal year, without reverting to the general

17 fund at the end of a fiscal year. The Revenue Shortfall Reserve shall be maintained,
18 accumulated, appropriated, and otherwise disbursed only as provided in this Code section.

19 (c) For each existing fiscal year, the General Assembly may appropriate from the Revenue
20 Shortfall Reserve an amount up to 1 percent of the net revenue collections of the preceding
21 fiscal year for funding increased K-12 needs.

22 (d) The Governor may release for appropriation by the General Assembly a stated amount
23 from funds in the Revenue Shortfall Reserve that are in excess of 4 percent of the net
24 revenue of the preceding fiscal year.

25 (e) As of the end of each fiscal year, an amount shall be released from the Revenue
26 Shortfall Reserve to the general fund to cover any deficit by which total expenditures and
27 contractual obligations of state funds authorized by appropriation exceed net revenue and
28 other amounts in state funds made available for appropriation.

29 (f) The combined Revenue Shortfall Reserve and the Midyear Adjustment Reserve
30 existing on May 9, 2005, shall become the Revenue Shortfall Reserve provided for in this
31 Code section.

32 (g) Any other provision of law notwithstanding, the General Assembly is authorized to
33 appropriate \$7 million for State Fiscal Year 2005 from the Revenue Shortfall Reserve.

34 ~~(h) The Revenue Shortfall Reserve shall not exceed 15 percent of the previous fiscal year's~~
35 ~~net revenue for any given fiscal year."~~

36 **SECTION 2.**

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