

As Introduced

**129th General Assembly
Regular Session
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S. B. No. 265

Senator Bacon

Cosponsors: Senators Burke, Wagoner, Patton

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A B I L L

To amend sections 131.43 and 131.44 of the Revised 1
Code to increase the balance that must exist in 2
the Budget Stabilization Fund, from 5% to 10% of 3
the General Revenue Fund revenue, before revenue 4
surpluses are applied to income tax reductions. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 131.43 and 131.44 of the Revised 6
Code be amended to read as follows: 7

Sec. 131.43. There is hereby created in the state treasury 8
the budget stabilization fund. It is the intent of the general 9
assembly to maintain an amount of money in the budget 10
stabilization fund that amounts to approximately ~~five~~ ten per cent 11
of the general revenue fund revenues for the preceding fiscal 12
year. The governor shall include in the state budget ~~he~~ the 13
governor submits to the general assembly under section 107.03 of 14
the Revised Code proposals for transfers between the general 15
revenue fund and the budget stabilization fund for the ensuing 16
fiscal biennium. The balance in the fund may be combined with the 17
balance in the general revenue fund for purposes of cash 18
management. 19

Sec. 131.44. (A) As used in this section:	20
(1) "Surplus revenue" means the excess, if any, of the total fund balance over the required year-end balance.	21 22
(2) "Total fund balance" means the sum of the unencumbered balance in the general revenue fund on the last day of the preceding fiscal year plus the balance in the budget stabilization fund.	23 24 25 26
(3) "Required year-end balance" means the sum of the following:	27 28
(a) Five per cent of the general revenue fund revenues for the preceding fiscal year;	29 30
(b) "Ending fund balance," which means one-half of one per cent of general revenue fund revenues for the preceding fiscal year;	31 32 33
(c) "Carryover balance," which means, with respect to a fiscal biennium, the excess, if any, of the estimated general revenue fund appropriation and transfer requirement for the second fiscal year of the biennium over the estimated general revenue fund revenue for that fiscal year;	34 35 36 37 38
(d) "Capital appropriation reserve," which means the amount, if any, of general revenue fund capital appropriations made for the current biennium that the director of budget and management has determined will be encumbered or disbursed;	39 40 41 42
(e) "Income tax reduction impact reserve," which means an amount equal to the reduction projected by the director of budget and management in income tax revenue in the current fiscal year attributable to the previous reduction in the income tax rate made by the tax commissioner pursuant to division (B) of section 5747.02 of the Revised Code.	43 44 45 46 47 48
(4) "Estimated general revenue fund appropriation and	49

transfer requirement" means the most recent adjusted 50
appropriations made by the general assembly from the general 51
revenue fund and includes both of the following: 52

(a) Appropriations made and transfers of appropriations from 53
the first fiscal year to the second fiscal year of the biennium in 54
provisions of acts of the general assembly signed by the governor 55
but not yet effective; 56

(b) Transfers of appropriations from the first fiscal year to 57
the second fiscal year of the biennium approved by the controlling 58
board. 59

(5) "Estimated general revenue fund revenue" means the most 60
recent such estimate available to the director of budget and 61
management. 62

(B)(1) Not later than the thirty-first day of July each year, 63
the director of budget and management shall determine the surplus 64
revenue that existed on the preceding thirtieth day of June and 65
transfer from the general revenue fund, to the extent of the 66
unobligated, unencumbered balance on the preceding thirtieth day 67
of June in excess of one-half of one per cent of the general 68
revenue fund revenues in the preceding fiscal year, the following: 69

(a) First, to the budget stabilization fund, any amount 70
necessary for the balance of the budget stabilization fund to 71
equal ~~five~~ ten per cent of the general revenue fund revenues of 72
the preceding fiscal year; 73

(b) Then, to the income tax reduction fund, which is hereby 74
created in the state treasury, an amount equal to the surplus 75
revenue. 76

(2) Not later than the thirty-first day of July each year, 77
the director shall determine the percentage that the balance in 78
the income tax reduction fund is of the amount of revenue that the 79
director estimates will be received from the tax levied under 80

section 5747.02 of the Revised Code in the current fiscal year 81
without regard to any reduction under division (B) of that 82
section. If that percentage exceeds thirty-five one hundredths of 83
one per cent, the director shall certify the percentage to the tax 84
commissioner not later than the thirty-first day of July. 85

(C) The director of budget and management shall transfer 86
money in the income tax reduction fund to the general revenue 87
fund, the local government fund, and the public library fund as 88
necessary to offset revenue reductions resulting from the 89
reductions in taxes required under division (B) of section 5747.02 90
of the Revised Code in the respective amounts and percentages 91
prescribed by division (A) of section 5747.03 and divisions (B) 92
and (C) of section 131.51 of the Revised Code as if the amount 93
transferred had been collected as taxes under Chapter 5747. of the 94
Revised Code. If no reductions in taxes are made under that 95
division that affect revenue received in the current fiscal year, 96
the director shall not transfer money from the income tax 97
reduction fund to the general revenue fund, the local government 98
fund, and the public library fund. 99

Section 2. That existing sections 131.43 and 131.44 of the 100
Revised Code are hereby repealed. 101