

1 AN ACT in relation to the State Comptroller.

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

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
22 Assembly's appropriations and transfers or diversions as
23 required by law from general funds shall not exceed 99.5% of
24 the estimated general funds revenues for the fiscal year when
25 revenue estimates of the State's general funds revenues
26 exceed the prior fiscal year's estimated general funds
27 revenues by more than 4%.

28 (b) The General Assembly's appropriations and transfers
29 or diversions as required by law from general funds shall not
30 exceed 99% of the estimated general funds revenues for the

1 fiscal year when revenue estimates of the State's general
2 funds revenues exceed the prior fiscal year's estimated
3 general funds revenues by more than 4% for 2 or more
4 consecutive fiscal years.

5 (c) For the purpose of this Act, "estimated general funds
6 revenues" include, for each budget year, all taxes, fees, and
7 other revenues expected to be deposited into the State's
8 general funds, including recurring transfers from other State
9 funds into the general funds.

10 Year-over-year comparisons used to determine the
11 percentage growth factor of estimated general funds revenues
12 shall exclude the sum of the following: (i) expected revenues
13 resulting from new taxes or fees or from tax or fee increases
14 during the first year of the change, (ii) expected revenues
15 resulting from one-time receipts or non-recurring transfers
16 in, (iii) expected proceeds resulting from borrowing, and
17 (iv) increases in federal grants that must be completely
18 appropriated based on the terms of the grants.

19 Section 15. Transfers to Budget Stabilization Fund. In
20 furtherance of the State's objective for the Budget
21 Stabilization Fund to have resources representing 5% of the
22 State's annual general funds revenues:

23 (a) For each fiscal year when the General Assembly's
24 appropriations and transfers or diversions as required by law
25 from general funds do not exceed 99.5% of the estimated
26 general funds revenues pursuant to subsection (a) of Section
27 10, the Comptroller shall transfer from the General Revenue
28 Fund as provided by this Section a total amount equal to .5%
29 of the estimated general funds revenues to the Budget
30 Stabilization Fund.

31 (b) For each fiscal year when the General Assembly's
32 appropriations and transfers or diversions as required by law
33 from general funds do not exceed 99% of the estimated general

1 funds revenues pursuant to subsection (b) of Section 10, the
2 Comptroller shall transfer from the General Revenue Fund as
3 provided by this Section a total amount equal to 1% of the
4 estimated general funds revenues to the Budget Stabilization
5 Fund.

6 (c) The Comptroller shall transfer 1/12 of the total
7 amount to be transferred each fiscal year under this Section
8 into the Budget Stabilization Fund on the first day of each
9 month of that fiscal year or as soon thereafter as possible.
10 The balance of the Budget Stabilization Fund shall not exceed
11 5% of the total of general funds revenues estimated for that
12 fiscal year except as provided by subsection (d) of this
13 Section.

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

27 (e) On or before August 31 of each fiscal year, the
28 amount determined to be transferred to the Budget
29 Stabilization Fund shall be reconciled to actual general
30 funds revenues for that fiscal year. The final transfer for
31 each fiscal year shall be adjusted so that the amount
32 transferred is equal to the percentage specified in
33 subsection (a) or (b) of Section 10 of this Act, as
34 applicable, based on actual general funds revenues calculated

1 consistently with subsection (c) of Section 10 of this Act
2 for each fiscal year.

3 (f) For the fiscal year beginning July 1, 2006 and for
4 each fiscal year thereafter, the budget proposal to the
5 General Assembly shall identify liabilities incurred in a
6 prior fiscal year under Section 25 of the State Finance Act
7 and the budget proposal shall provide funding as allowable
8 pursuant to subsection (d) of this Section, if applicable.

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

11 (30 ILCS 105/6z-51)

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

13 (a) The Budget Stabilization Fund, a special fund in the
14 State Treasury, shall consist of moneys appropriated or
15 transferred to that Fund, as provided in Section 6z-43 and as
16 otherwise provided by law. All earnings on Budget
17 Stabilization Fund investments shall be deposited into that
18 Fund.

19 (b) The State Comptroller may direct the State Treasurer
20 to transfer moneys from the Budget Stabilization Fund to the
21 General Revenue Fund in order to meet cash flow deficits
22 resulting from timing variations between disbursements and
23 the receipt of funds within a fiscal year. Any moneys so
24 borrowed shall be repaid by June 30 of the fiscal year in
25 which they were borrowed.

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

27 Section 99. Effective date. This Act takes effect July
28 1, 2004.