

1 AN ACT concerning budget stabilization.

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 from general funds shall not exceed  
23 99.5% of the estimated general funds revenues for the fiscal  
24 year when revenue estimates of the State's general funds  
25 revenues exceed the prior fiscal year's estimated general  
26 funds revenues by more than 4%.

27 (b) The General Assembly's appropriations from general  
28 funds shall not exceed 99% of the estimated general funds  
29 revenues for the fiscal year when revenue estimates of the  
30 State's general funds revenues exceed the prior fiscal year's

1 estimated general funds revenues by more than 4% for 2 or  
2 more consecutive fiscal years.

3 Section 15. Transfers to Budget Stabilization Fund and  
4 Early Debt Retirement Fund.

5 (a) For each fiscal year when the General Assembly's  
6 appropriations from general funds do not exceed 99.5% of the  
7 estimated general funds revenues pursuant to subsection (a)  
8 of Section 10, the Comptroller shall transfer from the  
9 General Revenue Fund as provided by this Section a total  
10 amount equal to .5% of the estimated general funds revenues  
11 to the Budget Stabilization Fund or the Early Debt Retirement  
12 Fund.

13 (b) For each fiscal year when the General Assembly's  
14 appropriations from general funds do not exceed 99% of the  
15 estimated general funds revenues pursuant to subsection (b)  
16 of Section 10, the Comptroller shall transfer from the  
17 General Revenue Fund as provided by this Section a total  
18 amount equal to 1% of the estimated general funds revenues to  
19 the Budget Stabilization Fund or the Early Debt Retirement  
20 Fund.

21 (c) The Comptroller shall transfer 1/12 of the total  
22 amount to be transferred each fiscal year under this Section  
23 into the Budget Stabilization Fund on the first day of each  
24 month of that fiscal year or as soon thereafter as possible.  
25 The balance of the Budget Stabilization Fund shall not exceed  
26 4% of the total of general funds revenues estimated for that  
27 fiscal year.

28 (d) If the balance of the Budget Stabilization Fund  
29 exceeds 4% of the total general funds revenues estimated for  
30 that fiscal year, the Comptroller shall transfer 1/12 of the  
31 total amount identified for transfer to the Early Debt  
32 Retirement Fund into the Early Debt Retirement Fund on the  
33 first day of each month of that fiscal year or as soon

1 thereafter as possible.

2 (e) Nothing in this Act prohibits the General Assembly  
3 from appropriating additional moneys into the Budget  
4 Stabilization Fund or the Early Debt Retirement Fund.

5 Section 90. The State Finance Act is amended by changing  
6 Sections 6z-51 and by adding Sections 5.595 and 6z-65 as  
7 follows:

8 (30 ILCS 105/5.595 new)

9 Sec. 5.595. The Early Debt Retirement Fund.

10 (30 ILCS 105/6z-51)

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

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

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

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

26 (30 ILCS 105/6z-65 new)

27 Sec. 6z-65. Early Debt Retirement Fund. The Early Debt  
28 Retirement Fund is created as a special fund in the State  
29 treasury. Moneys in the Early Debt Retirement Fund may be  
30 expended, subject to appropriation, for the payment of

1 deferred liabilities under Section 25 of this Act; the early  
2 retirement of unfunded pension liabilities; the retirement of  
3 bonded indebtedness when practical; and the funding of other  
4 long-term fiscal needs of the State.

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.