

HOUSE BILL No. 2340

By Committee on Appropriations

2-9

1 AN ACT concerning state finances; relating to the joint estimate of
2 revenue; transfers of actual tax receipt revenue in excess of such
3 estimate to the budget stabilization fund; expenditures from the budget
4 stabilization fund; amending K.S.A. 2016 Supp. 75-6706 and repealing
5 the existing section.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 New Section 1. Commencing with the fiscal year ending June 30,
9 2018, the director of the budget, in consultation with the director of
10 legislative research, shall certify, at the end of each fiscal year, the amount
11 of actual tax receipt revenues to the state general fund that is in excess of,
12 or is less than, the amount of estimated tax receipt revenues to the state
13 general fund pursuant to the most recent joint estimate of revenue under
14 K.S.A. 75-6701, and amendments thereto, for such fiscal year, and shall
15 transmit such certification to the director of accounts and reports. Upon
16 receipt of such certification, or as soon thereafter as moneys are available,
17 the director of accounts and reports shall transfer such certified excess
18 amount from the state general fund to the budget stabilization fund
19 established by K.S.A. 2016 Supp. 75-6706, and amendments thereto. If the
20 amount of actual tax receipt revenues to the state general fund is less than
21 the amount of estimated tax receipt revenues to the state general fund, then
22 no transfer to the budget stabilization fund shall be made.

23 Sec. 2. K.S.A. 2016 Supp. 75-6706 is hereby amended to read as
24 follows: 75-6706. (a) On July 1, 2017, the budget stabilization fund is
25 hereby established in the state treasury.

26 (b) On or before the 10th day of each month commencing July 1,
27 2017, the director of accounts and reports shall transfer from the state
28 general fund to the budget stabilization fund interest earnings based on:

29 (1) The average daily balance of moneys in the budget stabilization
30 fund, for the preceding month; and

31 (2) the net earnings rate of the pooled money investment portfolio for
32 the preceding month.

33 (c) On and after July 1, 2017, no moneys in the budget stabilization
34 fund shall be expended pursuant to this subsection unless the expenditure
35 either has been approved by an appropriation or other act of the legislature
36 or has been approved by the state finance council acting on this matter

1 which is hereby characterized as a matter of legislative delegation and
2 subject to the guidelines prescribed in K.S.A. 75-3711(c), and amendments
3 thereto. *All moneys credited to the budget stabilization fund shall be*
4 *expended or transferred for only the following purposes:*

5 (1) *The payment, in full or in part, of the unfunded actuarial pension*
6 *liability as directed by the Kansas public employees retirement system;*
7 *and*

8 (2) *the calling and redeeming of selected bonds for which debt*
9 *service is paid by appropriations from the state general fund in*
10 *accordance with their terms on or after their first optional redemption*
11 *date and prior to maturity.*

12 (d) (1) ~~During the 2016 interim between regular sessions of the~~
13 ~~legislature,~~ The legislative budget committee shall study and review the
14 policy concerning the balance of, transfers to and expenditures from the
15 budget stabilization fund. The legislative budget committee study and
16 review shall include, but not be limited to, the following:

17 (A) Risk-based budget stabilization fund practices utilized in other
18 states.

19 (B) The appropriate number of years to review the state general fund:

20 (i) Revenue variances from projections; and

21 (ii) expenditure variances from budgets.

22 (C) The entity to certify the amount necessary in the budget
23 stabilization fund to maintain the appropriate risk-based balance.

24 (D) Plan to fund the budget stabilization fund.

25 (E) Process and circumstances to reach the appropriate risk-based
26 balance, including the amount of risk that is acceptable.

27 (F) Circumstances under which expenditures may be made from the
28 fund.

29 (2) The legislative budget committee may make recommendations
30 and introduce legislation as it deems necessary to implement such
31 recommendations.

32 (3) ~~Notwithstanding the provisions of sections 52 and 53 of chapter~~
33 ~~104 of the 2015 Session Laws of Kansas, section 18 of chapter 12 of the~~
34 ~~2016 Session Laws of Kansas, this or any other appropriation act of the~~
35 ~~2016 regular session of the legislature, the legislative budget committee~~
36 ~~may meet not more than 10 days to study and review such policies as~~
37 ~~determined by the chairperson of the committee.~~

38 (e) *As used in this section, "unfunded actuarial pension liability"*
39 *means the unfunded actuarially accrued liability of the state for the state*
40 *of Kansas and participating employers under K.S.A. 74-4931, and*
41 *amendments thereto, portion of such liability of the Kansas public*
42 *employees retirement system, determined as of the later of December 31,*
43 *2016, or the end of the most recent calendar year for which an actuarial*

1 *valuation report is available.*

2 Sec. 3. K.S.A. 2016 Supp. 75-6706 is hereby repealed.

3 Sec. 4. This act shall take effect and be in force from and after its

4 publication in the statute book.