# Ohio Legislative Service Commission

## Bill Analysis

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# H.B. 363

129th General Assembly
(As Introduced)

**Reps.** Duffey, Amstutz, Blessing, Terhar, Peterson, Roegner, McClain, Rosenberger, Wachtmann, Sears, Derickson, Butler, Grossman, Uecker, Baker, Henne, Hackett, Newbold, Hill, Ruhl, Stebelton, C. Hagan, Hall, Stinziano, Schuring, Stautberg, Sprague, R. Adams, Patmon, Huffman, Beck, Brenner

## BILL SUMMARY

- Increases from 5% to 10% the percentage of General Revenue Fund (GRF) revenues intended to be maintained in the Budget Stabilization Fund (BSF).
- Requires the Director of Budget and Management, in the event surplus revenue exists in the GRF at the end of a fiscal year, to transfer an amount necessary for the balance of the BSF to equal 10% of GRF revenues for the preceding fiscal year instead of 5%.

## CONTENT AND OPERATION

### Intent of General Assembly regarding transfers to the Budget Stabilization Fund

The bill increases the amount intended to be maintained in the Budget Stabilization Fund (BSF) from 5% to 10% of General Revenue Fund (GRF) revenues for the preceding fiscal year.[1] Current law requires the Governor to submit, as part of the Governor's biennial budget proposal, proposals for transfers between the GRF and BSF for the ensuing fiscal biennium.

[1] R.C. 131.43.

### Required transfers to the Budget Stabilization and Income Tax Reduction Funds

Similarly, the bill increases the maximum amount of surplus GRF revenue that may be transferred to and maintained in the BSF. Under current law, the OBM Director is required to calculate, by July 31 of each year, the amount of surplus revenue in the GRF that existed on June 30 of that year. In the event there is an unobligated, unencumbered balance in excess of 0.5% of GRF revenues in the preceding fiscal year, the OBM Director must transfer to the BSF any amount necessary for the balance of the BSF to equal 5% of the GRF revenues of the preceding fiscal year. Any surplus revenue that remains is to be transferred to the Income Tax Reduction Fund.

Under the bill, the maximum amount that may be maintained in the BSF is increased to 10% of the GRF revenues of the preceding fiscal year.[2]

## HISTORY

| ACTION | DATE |
|---|---|
| Introduced | 11-01-11 |

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[2] R.C. 131.44.