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FISCAL IMPACT REPORT

SPONSOR Foley DATE TYPED 2/10/05 HB 643

SHORT TITLE Nonrecurring Revenue for Recurring Expenses SB _____

ANALYST Fernandez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Bill 643 would prohibit the executive and the Legislative Finance Committee from including recommendations to use nonrecurring revenue for recurring expenses in their annual appropriation recommendations.

Significant Issues

House Bill 643 defines nonrecurring revenue as one-time funds that cannot be relied on in future budget periods and includes revenue that may be available for more than one year but is not expected to occur again. Examples include: infrequent sales of government assets, bond refunding savings, infrequent revenues from development, grants, revenue due to fluctuation in the price of natural resources that is in excess of 10 percent of the last five-year average, and legal settlements and other windfalls.

FISCAL IMPLICATIONS

House Bill 643 may help improve current budgeting trends of using one-time revenue sources to create new programs; however, this bill does not prohibit the Legislature from using nonrecurring revenue for recurring expenses.

CTF/yr