FISCAL NOTE

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase/(decrease)			
GENERAL FUND	$0	$384,300,000	$391,700,000
BUDGET RESERVE ACCOUNT	($0)	($384,300,000)	($391,700,000)

Source of revenue increase(decrease):

Elimination of Budget Reserve Account (BRA), with severance tax and federal mineral royalty (FMR) revenues diverted from the BRA to the General Fund (GF).

Assumptions:

The permanent diversion of severance taxes and FMRs from the BRA to the GF will permanently increase total GF revenues, beginning in FY 2021.

The above estimate reflects the severance taxes and FMRs to be distributed to the BRA, as projected in the January 2019 CREG forecast.

This bill has an effective date of July 1, 2020. Therefore, these permanent diversions would begin in FY 2021.

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure (decrease)			
GENERAL FUND	($0)	($19,215,000)	($19,585,000)

Source of expenditure (decrease):

Decrease in expenditures from the GF in the 2021-22 biennium equal to 5 percent of the increase in GF revenues

Assumptions:

W.S. 9-2-1012 currently requires the Governor to recommend to the Legislature that not less than 5 percent of estimated GF revenues for the next biennial budget be appropriated from the GF to the BRA. This bill eliminates this appropriation, and requires a GF Reserve Amount of not less than 5 percent of estimated GF revenues to remain in the GF.

The increase in GF revenues described above will result in an increase to the current Statutory Reserve Amount (proposed GF Reserve Amount). This increase in the reserve amount will result in a one-time corresponding decrease in GF expenditures in the 2021-22 biennium.

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