

The House Committee on Ways and Means offers the following substitute to HB 464:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia
2 Annotated, relating to management of budgetary and financial affairs, so as to remove
3 provisions of the Revenue Shortfall Reserve statute relative to 2005; to provide for certain
4 amounts of the Revenue Shortfall Reserve to be used only for tax relief; to repeal the
5 limitation on the maximum percentage of net revenue allowed to be held in the Revenue
6 Shortfall Reserve; to provide for related matters; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated,
11 relating to management of budgetary and financial affairs, is amended by revising Code
12 Section 45-12-93, relating to revenue shortfall reserve, reservation of surplus state funds,
13 appropriation and release of funds, and limitations, as follows:

14 "45-12-93.

15 (a) There shall be a reserve of state funds known as the 'Revenue Shortfall Reserve.'

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16 (b) The amount of all surplus in state funds existing as of the end of each fiscal year shall
17 be reserved and added to the Revenue Shortfall Reserve. Funds in the Revenue Shortfall
18 Reserve shall carry forward from fiscal year to fiscal year, without reverting to the general
19 fund at the end of a fiscal year. The Revenue Shortfall Reserve shall be maintained,
20 accumulated, appropriated, and otherwise disbursed only as provided in this Code section.

21 (c) For each existing fiscal year, the General Assembly may appropriate from the Revenue
22 Shortfall Reserve an amount up to 1 percent of the net revenue collections of the preceding
23 fiscal year for funding increased K-12 needs.

24 (d) The Governor may release for appropriation by the General Assembly a stated amount
25 from funds in the Revenue Shortfall Reserve that are in excess of 4 percent of the net
26 revenue of the preceding fiscal year.

27 (e) As of the end of each fiscal year, an amount shall be released from the Revenue
28 Shortfall Reserve to the general fund to cover any deficit by which total expenditures and
29 contractual obligations of state funds authorized by appropriation exceed net revenue and
30 other amounts in state funds made available for appropriation.

31 ~~(f) The combined Revenue Shortfall Reserve and the Midyear Adjustment Reserve~~
32 ~~existing on May 9, 2005, shall become the Revenue Shortfall Reserve provided for in this~~
33 ~~Code section Any amount of the Revenue Shortfall Reserve exceeding 25 percent of the~~
34 ~~previous fiscal year's net revenue may be used for tax relief pursuant to an Act of the~~
35 ~~General Assembly.~~

36 ~~(g) Any other provision of law notwithstanding, the General Assembly is authorized to~~
37 ~~appropriate \$7 million for State Fiscal Year 2005 from the Revenue Shortfall Reserve.~~

38 ~~(h) The Revenue Shortfall Reserve shall not exceed 15 percent of the previous fiscal year's~~
39 ~~net revenue for any given fiscal year."~~

40 SECTION 2.

41 All laws and parts of laws in conflict with this Act are repealed.