

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1982  
**Version:** As introduced

**DATE:** March 24, 2014

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**Subject:** Budget reserve

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### Overview

Sets a target amount for the budget reserve of \$2 billion for the fiscal year 2016-2017 biennium, and directs the commissioner of management and budget (MMB) to update the target each biennium based on changes in general fund spending. Provides a new priority for unrestricted general fund balances in economic forecasts, under which up to 10 percent of any surplus remaining after other priorities are satisfied would go to the budget reserve until it reached the target amount.

#### Section

- 1 Budget reserve.** Sets a target amount for the budget reserve for the FY 2016-2017 biennium of \$2 billion. Directs the commissioner of management and budget (MMB) to adjust the target amount each biennium by the percentage change in general fund spending from the previous biennium to the current biennium.
- 2 Additional revenues; priorities.** Adds a new priority for unrestricted general fund balances in economic forecasts. The new priority is for up to ten percent of any surplus remaining after other priorities have been satisfied to be transferred to the budget reserve, until it reaches the target level established in section 1.
- 3 Repealer.** Repeals 16A.152, subdivision 1b, which transferred specified dollar amounts to the budget reserve in 2003 and 2004.