

As Amended by House Committee

Session of 2009

**Senate Concurrent Resolution No. 1614**

By Senators D. Schmidt, Abrams, Apple, Barnett, Brownlee, Bruce, Brungardt, Colyer, Donovan, Emler, Huelskamp, Kelsey, Lynn, Marshall, Masterson, McGinn, Morris, Ostmeyer, Owens, Petersen, Pilcher-Cook, Reitz, V. Schmidt, Schodorf, Steineger, Taddiken, Umbarger, Vratil, Wagle and Wysong

3-12

16 A PROPOSITION to amend article 11 of the constitution of the state of  
17 Kansas by adding a new section thereto, concerning a budget stabili-  
18 zation fund **[and a debt prepayment fund]** in the state treasury.

19  
20 *Be it resolved by the Legislature of the State of Kansas, two-thirds of the*  
21 *members elected (or appointed) and qualified to the Senate and two-*  
22 *thirds of the members elected (or appointed) and qualified to the House*  
23 *of Representatives concurring therein:*

24 Section 1. The following proposition to amend the constitution of the  
25 state of Kansas shall be submitted to the qualified electors of the state  
26 for their approval or rejection: Article 11 of the constitution of the state  
27 of Kansas is hereby amended by adding a new section thereto to read as  
28 follows:

29 “§ 14. **Budget Stabilization Fund [and Debt Prepayment**  
30 **Fund].** ~~A budget stabilization fund shall be established and~~  
31 ~~maintained in the state treasury:~~

32 ~~(a) Not later than June 30 of each year, when the actual state~~  
33 ~~revenues for the current year constitute an increase of~~  
34 ~~more than three percent over the actual state revenues~~  
35 ~~for the preceding year, an amount equal to .25 percent of~~  
36 ~~the state revenues collected in the preceding 12 months shall~~  
37 ~~be transferred from a fund or funds designated by law to~~  
38 ~~the budget stabilization fund. The legislature shall have the~~  
39 ~~power to transfer or appropriate additional amounts to the~~  
40 ~~budget stabilization fund as the legislature may deem~~  
41 ~~appropriate:~~

42 ~~(b) Moneys may be transferred from the budget stabilization fund~~  
43 ~~only as follows:~~

- 1 ~~(1) Any amount of moneys may be transferred from the budget~~  
2 ~~stabilization fund into a single other state fund. Any transfer~~  
3 ~~authorized by this subparagraph shall be by a separate bill that~~  
4 ~~does not include any other matter except that authorizing the~~  
5 ~~transfer from the budget stabilization fund. The affirmative~~  
6 ~~vote of not less than three fifths of all members then elected~~  
7 ~~(or appointed) and qualified to each house shall be necessary~~  
8 ~~to pass any separate bill authorized by this subparagraph.~~
- 9 ~~(2) Whenever **Except as otherwise provided by this section,**~~  
10 ~~**whenever** the amount in the budget stabilization fund exceeds~~  
11 ~~five percent of the state revenues collected in the previous fiscal~~  
12 ~~year, moneys that exceed such five percent may be transferred~~  
13 ~~from the budget stabilization fund into a single other state fund.~~  
14 ~~Any transfer authorized by this subparagraph shall be by a se-~~  
15 ~~parate bill that does not include any other matter except that~~  
16 ~~authorizing the transfer from the budget stabilization fund.~~
- 17 ~~(3) **The aggregate amount transferred from the budget sta-**~~  
18 ~~**bilization fund during any year shall not exceed 50 per-**~~  
19 ~~**cent of the moneys in the budget stabilization fund.**~~
- 20 ~~(c) Amounts in the budget stabilization fund may be invested as~~  
21 ~~provided by law and the earnings thereon shall be retained in~~  
22 ~~the budget stabilization fund.~~
- 23 ~~(d) As used in this section, “state revenues” means all revenues~~  
24 ~~from any source deposited to any state fund excluding any rev-~~  
25 ~~enues received from the federal government.~~
- 26 ~~(e)~~
- 27 **[(a) On July 1, 2011, a budget stabilization fund and a debt**  
28 **prepayment fund shall be established and maintained in**  
29 **the state treasury.**
- 30 **[(b) When state tax receipts for a fiscal year increase by more**  
31 **than three percent over state tax receipts for the preced-**  
32 **ing fiscal year: (1) Any increase in excess of three percent**  
33 **up to the next one percent of state tax receipts collected**  
34 **shall be deposited in the budget stabilization fund; and**  
35 **[(2) Any increase in excess of four percent up to the next one-**  
36 **half percent of state tax receipts collected shall be de-**  
37 **posited in the debt prepayment fund. Nothing in this sub-**  
38 **section shall require state tax receipts to be deposited in**  
39 **the budget stabilization fund when the budget stabiliza-**  
40 **tion fund balance exceeds fifteen percent of the preced-**  
41 **ing fiscal year’s state tax receipts. Nothing in this subsec-**  
42 **tion shall require state tax receipts to be deposited in the**  
43 **debt prepayment fund when the debt prepayment**

- 1 fund balance exceeds fifteen percent of the preceding  
2 fiscal year's total amount of principal of bonded indebt-  
3 edness serviced by appropriations from the state general  
4 fund.
- 5 [(c) The legislature may provide, by law, for additional  
6 amounts of state tax receipts to be deposited in the  
7 budget stabilization fund and the debt prepayment fund.
- 8 [(d) (1) Withdrawals from the budget stabilization fund may  
9 occur in the current fiscal year only when the current  
10 fiscal year's estimated state tax receipts are less than the  
11 amount of actual state tax receipts collected or otherwise  
12 received in the preceding fiscal year. The amount subject  
13 to withdrawal shall not exceed the difference between  
14 the current fiscal year's estimated state tax receipts and  
15 the amount of actual state tax receipts collected or oth-  
16 erwise received in the preceding fiscal year except that  
17 such difference shall be reduced by the amount of the  
18 current fiscal year's estimated state tax receipts not col-  
19 lected or otherwise received as a result of any kind of tax  
20 reduction legislation enacted by the legislature and ap-  
21 proved by the governor in the current or preceding fiscal  
22 year.
- 23 [(2) Withdrawals from the budget stabilization fund may oc-  
24 cur in the ensuing fiscal year only when the ensuing fiscal  
25 year's estimated state tax receipts are less than the  
26 amount of estimated state tax receipts in the current fis-  
27 cal year. The amount subject to withdrawal shall not ex-  
28 ceed the difference between the ensuing fiscal year's es-  
29 timated state tax receipts and the amount of estimated  
30 state tax receipts in the current fiscal year except that  
31 such difference shall be reduced by the amount of the  
32 ensuing fiscal year's estimated state tax receipts not col-  
33 lected or otherwise received as a result of any kind of tax  
34 reduction legislation enacted by the legislature and ap-  
35 proved by the governor in the current or preceding fiscal  
36 year.
- 37 [(3) For the purposes of subsections (d)(1) and (d)(2), the at-  
38 torney general shall be responsible for certifying  
39 whether any kind of tax reduction legislation was enacted  
40 by the legislature and approved by the governor and if  
41 so, the governor shall certify the amount of such reduc-  
42 tion. Any withdrawal authorized by this subsection shall  
43 be provided for by law enacted in a separate bill that does

- 1           not include any other matter except a statement that the  
2           conditions prescribed by this subsection exist and the au-  
3           thority to transfer a specific amount of money from the  
4           budget stabilization fund to the state general fund.
- 5           [(e) (1) Withdrawals from the debt prepayment fund may oc-  
6           cur only to provide for calling and redeeming selected  
7           bonds for which debt service is paid by appropriations  
8           from the state general fund in accordance with their  
9           terms on or after their first optional redemption date and  
10          prior to maturity.
- 11          [(2) Prior to any withdrawal from the debt prepayment fund  
12          authorized by this subsection, the governor shall be re-  
13          sponsible for determining and selecting which bonds will  
14          produce the greatest debt service savings to the state  
15          general fund, and the attorney general shall be respon-  
16          sible for certifying that the selected bonds are available  
17          for optional redemption. Any withdrawal authorized by  
18          this subsection shall be provided for by law enacted in a  
19          separate bill that does not include any other matter ex-  
20          cept a statement that the conditions prescribed by this  
21          subsection exist and the authority to transfer a specific  
22          amount of money from the debt prepayment fund to the  
23          state general fund for the purpose of calling and redeem-  
24          ing selected bonds.
- 25          [(f) Amounts in the budget stabilization fund and the debt  
26          prepayment fund may be invested as provided by law and  
27          the earnings thereon shall be retained in the budget sta-  
28          bilization fund and the debt prepayment fund.
- 29          [(g) As used in this section, “state tax receipts” means receipts  
30          from any state income tax, sales tax, compensating use  
31          tax or other excise tax or tax in the nature of an excise  
32          tax, or estate or inheritance tax, or tax in the nature of  
33          an estate or inheritance tax, but shall not include receipts  
34          from any property tax, or tax in the nature of a property  
35          tax, or any tax on motor fuels.
- 36          [(h)] The legislature may enact laws to carry out the purposes of this  
37          section.”
- 38          Sec. 2. The following statement shall be printed on the ballot with  
39          the amendment as a whole:
- 40                *“Explanatory statement.* The purpose of this amendment is to es-  
41                tablish a budget stabilization fund [**and a debt prepayment**  
42                **fund**] in the state treasury.  
43                “A vote for this amendment would require that annually .25 percent

1 ~~of the state revenues collected in the preceding year be trans-~~  
 2 ~~ferred to the budget stabilization fund when state revenues~~  
 3 ~~increase by more than three percent. Moneys from such~~  
 4 ~~fund may only be transferred for the following~~  
 5 ~~circumstances:~~

6 ~~(1) By a separate act of the legislature passed by an affir-~~  
 7 ~~mative vote of not less than three-fifths of all members~~  
 8 ~~then elected (or appointed) and qualified to each house.~~

9 ~~(2) By a separate act of the legislature whenever the amount~~  
 10 ~~in such fund exceeds five percent of the state revenues~~  
 11 ~~collected in the previous fiscal year, moneys that exceed~~  
 12 ~~such five percent may be transferred from the budget~~  
 13 ~~stabilization fund up to a maximum of 50 percent of the~~  
 14 ~~amount in the budget stabilization fund.~~

15 [“A vote for this amendment will:

16 [(1) Require that annually, when state tax receipts for a fiscal  
 17 year increase by more than three percent over the state  
 18 tax receipts for the preceding fiscal year, up to the next  
 19 one percent of state tax receipts collected in excess of  
 20 three percent shall be deposited in the budget stabiliza-  
 21 tion fund. Nothing in this amendment shall require state  
 22 tax receipts to be deposited in the budget stabilization  
 23 fund when the budget stabilization fund balance exceeds  
 24 fifteen percent of the preceding fiscal year’s state tax  
 25 receipts.

26 [(2) Require that annually, when state tax receipts for a fiscal  
 27 year increase by more than four percent over the state  
 28 tax receipts for the preceding fiscal year, up to the next  
 29 one-half percent of state tax receipts collected in excess  
 30 of four percent shall be deposited in the debt prepayment  
 31 fund. Nothing in this amendment shall require state tax  
 32 receipts to be deposited in the debt prepayment fund  
 33 when the debt prepayment fund balance exceeds fifteen  
 34 percent of the preceding fiscal year’s total amount of  
 35 principal of bonded indebtedness serviced by appropri-  
 36 ations from the state general fund.

37 [(3) Allow the legislature, by law, to provide for additional  
 38 amounts of state tax receipts to be deposited in the  
 39 budget stabilization fund and the debt prepayment fund.

40 [(4) Allow, by a separate act of the legislature, withdrawals  
 41 from the budget stabilization fund to occur:

42 [(A) In the current fiscal only when the current fiscal year’s  
 43 estimated state tax receipts are less than the amount of

1           **actual state tax receipts collected or otherwise received**  
2           **in the preceding fiscal year. The amount withdrawn shall**  
3           **not exceed the difference between the current fiscal**  
4           **year’s estimated state tax receipts and the amount of ac-**  
5           **tual state tax receipts collected in the preceding fiscal**  
6           **year except that such difference shall be reduced by the**  
7           **amount of the current fiscal year’s estimated state tax re-**  
8           **ceipts not collected as a result of any kind of tax reduction**  
9           **legislation enacted by the legislature and approved by**  
10          **the governor in the current or preceding fiscal year; or**  
11          **[(B) in the ensuing fiscal year only when the ensuing fiscal**  
12          **year’s estimated state tax receipts are less than the**  
13          **amount of estimated state tax receipts in the current fis-**  
14          **cal year. The amount withdrawn shall not exceed the dif-**  
15          **ference between the ensuing fiscal year’s estimated state**  
16          **tax receipts and the amount of estimated state tax re-**  
17          **ceipts in the current fiscal year except that such differ-**  
18          **ence shall be reduced by the amount of the ensuing fiscal**  
19          **year’s estimated state tax receipts not collected as a result**  
20          **of any kind of tax reduction legislation enacted by the**  
21          **legislature and approved by the governor in the current**  
22          **or preceding fiscal year. The attorney general is respon-**  
23          **sible for determining whether tax reduction legislation**  
24          **was enacted and approved and the governor is respon-**  
25          **sible for certifying the amount of such reduction.**  
26          **[(5) Allow, by a separate act of the legislature, withdrawals**  
27          **from the debt prepayment fund only to provide for call-**  
28          **ing and redeeming selected bonds for which debt service**  
29          **is paid by appropriations from the state general fund on**  
30          **or after their first optional redemption date and prior to**  
31          **maturity. The governor shall be responsible for deter-**  
32          **mining and selecting which bonds will produce the**  
33          **greatest debt service savings to the state general fund,**  
34          **and the attorney general shall be responsible for certi-**  
35          **fying that the selected bonds are available for optional**  
36          **redemption.]**  
37          “A vote against this amendment would make no changes in current  
38          law concerning the state’s finance.”  
39          Sec. 3. This resolution, if approved by two-thirds of the members  
40          elected (or appointed) and qualified to the Senate, and two-thirds of the  
41          members elected (or appointed) and qualified to the House of Repre-  
42          sentatives shall be entered on the journals, together with the yeas and  
43          nays. The secretary of state shall cause this resolution to be published as

1 provided by law and shall cause the proposed amendment to be submitted  
2 to the electors of the state at the general election in the year 2010 unless  
3 a special election is called at a sooner date by concurrent resolution of  
4 the legislature, in which case it shall be submitted to the electors of the  
5 state at the special election.