

MEMBER: Senator Jack Donahue **PROPOSAL#** Donahue #03 **REFERRED TO AG on:** AGDNES
SUBJECT: Classification of Revenue **DATE REPORTED BY AG:** November 19, 2009 **REPORT:** Favorable
COMMISSION ACTION: WITHDRAWN **DATE:** December 8, 2009

RECOMMENDATION: To require that Mineral Revenue received by the state in excess of the amount allocated to the Rainy Day Fund shall be designated as nonrecurring and subject to the same restrictions on expenditures as other nonrecurring revenue.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
To require that Mineral Revenue received by the state in excess of the amount allocated to the Rainy Day Fund shall be designated as nonrecurring and subject to the same restrictions on expenditures as other nonrecurring revenue.	Revenue Estimating Conference, Administration and Legislature	It is sound fiscal policy for recurring revenue to fund recurring expenses and nonrecurring revenue to fund one-time expenses.	Constitution and statutes would need to be changed to provide such.	Potential savings could be realized as nonrecurring revenue is used to pay down bonded debt and unfunded accrued liabilities freeing up dollars in future years for recurring expenses	Could be implemented upon passage of legislation and/or constitutional amendment, as appropriate