



FACT SHEET

Overview of Pending TABOR Legislation

SENATE

SB7: Regola (R-Westmoreland)

Constitutional amendment

Spending limit

Sets a cap on annual increases in General Fund appropriations, including executive authorizations, preferred and non-preferred appropriations. The spending cap would also apply to any funds created by statute or constitutional amendment subsequent to effective date of the bill.

Formula

Limits increases to the lesser of three year average change in personal income or three year average increase in inflation plus population.

Exceptions

Allows for the spending cap to be exceeded only upon a Presidential or gubernatorial declared emergency or upon request of the Governor, in all cases with a vote of two-thirds of the General Assembly.

Disposition of Excess Revenue

Authorizes the state treasurer to create a Taxpayer Protection Fund, and requires that 75% of surplus revenues be deposited into the fund. When the Treasurer certifies the Budget Stabilization Fund reaches 5% of General Fund revenues, 100% of the surplus revenue must be deposited in the Taxpayer Fund.

Personal Income Tax Rate Reduction

Authorizes a reduction in the Personal Income Tax rate when the budget secretary certifies that the Taxpayer Protection Fund has proceeds sufficient to allow a .01% reduction in the Personal Income Tax rate.

New transfer authority

Allows the General Assembly to move money from any of the Commonwealths other Dedicated Funds, including the Lottery, Motor License or other funds, to the Budget Stabilization Fund.

SB 707: Folmer (R-Lebanon)

Statutory spending limit

Provisions are the same as the Constitutional amendment with 2 exceptions

The Governor may request the spending limit be exceeded 30 days before the end of the fiscal year and must simultaneously publish the request in a general circulation newspaper in every Senatorial district. The General Assembly could then adopt the request with an affirmative two-thirds vote.

Repeals section 1702-A of the state Fiscal code, which establishes the Rainy Day Fund.