

Senate Ways and Means Committee

Sonja Caldwell 271-2117

HB 306, relative to revenue estimates while operating under emergency orders caused by the COVID-19 pandemic.

Hearing Date: March 22, 2021

Members of the Committee Present: Senators Giuda, D'Allesandro, Daniels, Hennessey and Rosenwald

Members of the Committee Absent : None

Bill Analysis: This bill directs the house ways and means committee to consider revenue estimates for the state as frequently as the chair determines is required by changing conditions.

Sponsors:
Rep. Major

Who supports the bill: Ruth Larson, Nikki Fordey, Katherine Porter, Lucinda Hope, Rep. Major, Richard DeMark

Who opposes the bill: No one

Who is neutral on the bill: No one

Summary of testimony presented:

Sen. Giuda

- This bill directs the House Ways and Means committee to consider revenue estimates for the state as frequently as the chair determines is required by changing conditions under the pandemic.
- The bill was requested and sponsored by Rep. Major.
- Sen. Giuda introduced amendment 0870s. It would add a requirement that the House Ways and Means chair notify the Senate Ways and Means chair any time such meetings are convened in accordance with the statute.
- Rep. Major agrees with the amendment.

Sen. Rosenwald asked why it is so broad.

Sen. Giuda said because other types of emergencies that could cause fiscal disruption could take place. If we limit it to covid-19, we wouldn't be able to do this. For any unforeseen circumstance that could impact state revenues, this would allow us to deliver amended revenue estimates.

Sen. Rosenwald said this could be every week. There are no limits on this at all. She questioned if that is appropriate in terms of the use of DRA and LBA resources.

Sen. Giuda thought there would be considerable objections to any attempt to meet every week. He would defer to LBA and DRA thoughts as well.

Sen. D'Allesandro said there comes a point in time when revenue projections are taken over by the Senate. There needs to be a stop period because of the transfer of projections to the Senate. If that's not the case, the House could be making revenue projections after the Senate has the budget.

Sen. Giuda said it allows for the House to convene and let the Senate know it is meeting. He does not think it has any legal effect on the budget. He would welcome House participation in coming up with revised estimates in a critical situation.

Sen. Rosenwald asked what happens if the unforeseen circumstances occurred in the second year of the biennium and the House convened to consider revenue impacts. She asked if the Senate would be at a disadvantage at that point. She asked if the House would be able to send over some revision that the Senate couldn't respond to if they decided to change revenues in the second year.

Sen. Giuda said they could throw numbers out.

Sen. Rosenwald asked if the Senate would have to respond. She expressed concern about not wanting to have Senate hands tied.

Sen. Giuda doesn't think this gives the House any authority. Their estimates still have to come to the Senate.

Sen. Daniels asked if there is anything in statute that prohibits the House Ways and Means chair from calling a meeting. He questioned why this bill is needed.

Rep. Almy

- There is nothing written in statute about the revenue estimates.
- By tradition, the House has done them and put them into the budget.
- The senate then redoes the estimates.
- After the committee of conference, they are put in stone and made into a plan for the two years. The estimates do not get changed after that even if they revise them.
- The senate can take them up at any time it wants.
- The House has no authority to impose revenue estimates on the Senate.
- The ability to revise estimates sends a signal to people that the state could be in trouble and needs to figure out what to cut in the middle of the two years, or that the state potentially has extra money that could be allocated.
- If they think it's significant enough the House can bring revised estimates back to the House floor as a resolution and the Senate and Governor can react to that as they would.
- Over the course of the pandemic, the House tried to get revenue estimates and some of the agencies did not want to look at their revenue estimates and come and tell the House if they thought they were in trouble or ok.
- Rep Major thought this would be a way for them to put more pressure on those agencies to come forward and talk to them. She added that DRA is always helpful.

Sen. Rosenwald said there is a process in place for the House to file a joint resolution in the second year to relook at revenues already. It would never have to go beyond the House and Senate as a joint resolution but would be a vehicle for updating or discussing revenues during a biennium. She asked how this bill helps with the situation she described in ways that there isn't already a process.

Rep. Almy said there is only one way in which it conceivably helps and that is statutory authority to waive at agencies who may not want to address their revenues again. This would be the first statute about the revenue estimates. We've never done a joint resolution. It is totally based on tradition at this point.

Rep. Abrami said they had the same discussion in House Ways and Means about why the bill is needed. It is to compel certain agencies. Most agencies are good about giving the information.

Sen. Daniels said the bill lists 3 unrestricted funds and asked if there are more than 3 unrestricted funds.

Rep. Abrami said no. Those are the ones they look at when doing revenue estimates.

Sen. Daniels asked if this will restrict them more than having the statute silent on it so they can take up other things.

Rep. Abrami said these are the major funds they normally look at. He said the senator may have a point, but this is what they chose to do. They did not discuss other funds.

Carollynn Lear DRA

- DRA doesn't have anything to add. They are happy to participate in the revenue estimate process whenever the legislature wants to hear from them. They take no position on this.

Sen. D'Allesandro agrees with what Rep. Almy said about the traditional history of revenue estimates.

Rep. Almy said the House is not responsible for dedicated funds anymore, just the four largest funds.