

GENERAL FUND CONDITION STATEMENT

	ACTUAL FY2010	ACTUAL FY2011	REVISED FY2012	PROJECTED FY2013
RECEIPTS				
Sales and Use Tax	\$ 652,115,527	\$ 710,196,255	\$ 729,226,022	\$ 756,856,366
Contractor's Excise Tax	61,137,330	65,697,771	76,903,027	71,760,414
Property Tax Reduction Fund ^I	123,174,513	110,380,262 ^J	101,069,637 ^J	102,953,026 ^J
Bank Franchise Tax ^K	21,669,223	4,734,918	26,683,829	25,389,040
Insurance Company Tax	61,734,032	63,609,227	65,891,970	67,816,650
Other ^{A, C, D, G, H, I}	189,965,121	208,427,961	204,369,964	201,831,223
One-Time Receipts	21,838,270 ^{N,O}	(14,744,054) ^P	11,818,500 ^Q	1,000,000 ^R
Transfer from Budget Reserves	0	0	20,155,015 ^S	0
Obligated Cash Carried Forward ^M	0	0	0	37,806,110
TOTAL RECEIPTS	\$1,131,634,016	\$1,148,302,339	\$1,236,117,964	\$ 1,265,412,829
EXPENDITURES				
General Bill Excl. State Aid to Education ^{B, C, D, E}	\$ 747,170,308	\$ 768,547,609	\$ 814,205,362	\$ 844,481,176
State Aid to Education	374,658,478	376,588,656	329,331,804	368,575,671
Special Appropriations	3,523,237	836,656	27,845,256	27,806,110
Emergency Special Appropriations	3,974,959	0	24,533,972	0
Continuous Appropriations ^F	2,307,035	2,329,418	2,395,460	2,441,769
TOTAL EXPENDITURES	\$1,131,634,016	\$1,148,302,339	\$1,198,311,854	\$ 1,243,304,726
TRANSFERS				
Budget Reserve Fund ^L	\$ -	\$ -	\$ -	\$ 10,000,000
TOTAL TRANSFERS	\$ -	\$ -	\$ -	\$ 10,000,000
Beginning Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -
Net (Receipts less Expend./Transfers)	0	0	37,806,110	12,108,103
OBLIGATIONS AGAINST CASH				
Budget Reserve Fund ^L	0	0	(10,000,000)	(12,108,103)
Cash Committed for FY2013 Expenses ^M	0	0	(27,806,110)	0
Total Obligations Against Cash	0	0	(37,806,110)	(12,108,103)
Ending Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -

SOURCE: State of South Dakota Bureau of Finance and Management

NOTE: This document was prepared on a cash basis for budgeting purposes and reflects obligations against cash. The totals may not add due to rounding.

^A Includes \$8,457,825 for FY2010, \$7,782,263 for FY2011, \$7,111,219 for FY2012, and \$6,465,087 for FY2013 derived from annuity contract payments.

^B Includes \$8,463,595 for FY2010, \$7,787,398 for FY2011, \$7,114,732 for FY2012, and \$6,465,715 for FY2013 as appropriated to the Bureau of Administration and to the Bureau of Finance and Management to make lease payments pursuant to the leases entered into with the South Dakota Building Authority dated December 1, 1986.

^C Includes receipts and expenditures (\$2,372,720 for FY2012 and \$1,950,765 for FY2013) due to legislation that allows the Department of Game, Fish, and Parks to make lease payments to the Building Authority, which are used to retire revenue bonds issued for the renovation and modernization of infrastructure at Custer State Park, the renovation and modernization of fish hatchery facilities, and for the Sioux Falls Outdoor Learning Center.

^D Includes receipts and expenditures (\$690,235 for FY2012 and \$685,070 for FY2013) due to legislation passed in 2007 that allows the Board of Regents to make lease payments to the Building Authority, which is used to retire revenue bonds issued for critical maintenance and repair projects for the Board of Regents.

- ^E Includes \$2,306,261 in FY2012 and \$2,304,765 in FY2013 for the Board of Regents to make lease payments to the Building Authority for revenue bonds that were issued for science facilities, laboratory upgrades, and renovations for the Board of Regents.
- ^F Includes continuous appropriations for the payment of special assessments (SDCL 5-14-20) and fire premium tax refunds (SDCL 10-44-9.1). Included in FY2012 and FY2013 is \$80,000 for payment of special assessments and \$2,315,460 and \$2,361,769, respectively, for fire premium tax refunds.
- ^G Includes \$0 in FY2010, \$18,689,216 in FY2011, \$18,345,686 in FY2012, and \$17,832,292 in FY2013 in interest proceeds from the Education Enhancement and Health Care Trust Funds. The market values of the Education Enhancement and Health Care Trust Funds are calculated using a 16 quarter moving average of the prior 16 quarters as of December 31st. For FY2010, no transfer was available as the market values of the trust funds were below principal value as of December 31, 2008.
- ^H The 2009 Legislature passed HB 1300 which transfers all funds from the Education Enhancement Tobacco Tax Fund to the general fund to partially offset declines in other general fund revenue sources. The transfer from the Education Enhancement Tobacco Tax Fund to the general fund is estimated at \$7.7 million in FY2012 and \$7.5 million in FY2013.
- ^I SB 225, passed during the 1996 legislative session, requires the state's proceeds from video lottery to be deposited into the Property Tax Reduction Fund (PTRF). In addition, the bill provides that the Commissioner of the Bureau of Finance and Management may transfer monies available from the PTRF to the general fund necessary to provide property tax relief through state aid to education. HB 1104, passed by the 2003 Legislature, imposes a tax of 4% upon the gross receipts of telecommunication services. Sixty percent of the revenue collected from this tax is deposited into the PTRF. Initiated Measure 2, adopted by the voters of South Dakota in November of 2006, increased the cigarette tax on a 20 pack of cigarettes by \$1.00 and the tax on a 25 pack of cigarettes by \$1.25. In addition, the wholesale tax on other tobacco products increased from 10% to 35% of the wholesale purchase price. The PTRF receives a 33% share of any revenue generated by the tobacco tax which is in excess of \$35 million. The PTRF's share of the tobacco tax is estimated to be \$7.7 million and \$7.5 million in FY2012 and FY2013, respectively. The Health Care Tobacco Tax Fund, created by the 2007 Legislature, receives a 34% share of the revenue that is generated by the tobacco tax in excess of \$35 million. The transfer from the Health Care Tobacco Tax Fund to the general fund is estimated to be \$7.9 million and \$7.7 million in FY2012 and FY2013, respectively, and is included in the "Other" receipts.
- ^J The PTRF's share of video lottery revenue was \$95.8 million in FY2011 and is estimated to be \$85.6 million in FY2012 and \$87.3 million in FY2013 and is included in the PTRF receipts. In November of 2010, the voters of South Dakota approved referred law 12, which extended the statewide smoking ban to nearly all public places including restaurants, bars, and casinos. This change in law caused a sharp decline in video lottery revenue of approximately 18% for the first year, which includes both FY2011 and FY2012.
- ^K The national recession combined with federal regulation changes in the financial sector, most notably the credit card industry, caused the bank franchise tax collections to the general fund to decline substantially during and after the economic recession. As a result, the bank franchise tax collections were just \$4.7 million in FY2011. However, since economic conditions have improved, the bank franchise tax is estimated to rebound to \$26.7 million in FY2012 and \$25.4 million in FY2013, but still remains below historical collections prior to the economic recession.
- ^L HB 1287, passed during the 1991 legislative session, provided that on July 1, 1991, \$20.0 million of the general fund ending unobligated cash balance from FY1991 be transferred into the Budget Reserve Fund. For each year thereafter, the maximum level of funds in the reserve was set at 5% of the general funds appropriated for the prior year in the General Appropriations Act, with the funding coming from any unobligated cash remaining in the general fund at the end of the fiscal year. HB 1195, passed by the 2002 Legislature, changed the maximum level of funds in the reserve to 10% of the general funds appropriated for the prior year in the General Appropriations Act. At the end of FY2012 and FY2013, the Governor is recommending \$10.0 million and \$12.1 million, respectively be obligated to the budget reserve fund.
- ^M Due to improving general fund receipts in FY2012, the Governor is recommending \$27.8 million of available FY2012 cash be obligated and carried forward to FY2013 to fund one-time special appropriations in FY2013.
- ^N HB 1300, passed by the 2009 Legislature, transferred \$2.3 million from the Custer State Park Improvement Fund for partial repayment of the appropriation from SB 218, passed by the 2007 Legislature. In addition, HB 1215 passed by the 2009 Legislature transferred \$1.5 million from the Tax Relief Fund to the general fund in FY2010.
- ^O In addition to the one-time receipts that were adopted by the 2009 Legislature, the 2010 Legislature passed SB 49, adopting the following one-time receipts in FY2010 to help balance the budget: \$9.6 million from the Tax Refund Construction Liability Fund, \$2.0 million from the Budgetary Accounting Fund, \$2.0 million from the Aeronautics Fund, \$2.0 million from the Tax Relief Fund, and \$2.2 million from a refund of prior year's expenses. Also included in the one-time receipts in FY2010 is \$0.4 million for unexpended carryovers and special appropriations.

- ^P SB 196, passed by the 2010 Legislature, transferred the following one-time receipts to the general fund in FY2011 to help balance the budget: \$3.9 million plus interest from the Custer State Park Improvement Fund, which will complete repayment of the appropriation from SB 218 passed by the 2007 Legislature; \$1.5 million from the Tobacco Prevention and Reduction Trust Fund; \$1.0 million from the Tax Relief Fund; \$1.0 million from the Petroleum Release Compensation Fund; \$0.7 million from the Private Activity Bond Fee Fund; \$0.7 million from the Department of Corrections local and endowment funds; \$0.3 million from the Budgetary Accounting Fund; and, \$0.3 million from the Other Disease Fund. In addition, the one-time receipts in FY2012 were offset by a full repayment of a one-time bank franchise tax refund of \$26.1 million that is reflected as a negative one-time receipt. Also included in the one-time receipts in FY2011 is \$1.4 million for unexpended carryovers and special appropriations.
- ^Q HB 1251, passed by the 2011 Legislature, transferred \$1.0 million from the Tobacco Prevention and Reduction Trust Fund to the general fund. In addition, a reallocation of bank income from previous tax years has increased the bank franchise tax collections by \$10.0 million on a one-time basis in FY2012. Also included in one-time receipts for FY2012 are \$0.4 million from CREP savings as well as \$0.4 million from a securities settlement.
- ^R In FY2013, the Governor is recommending a transfer of \$1.0 million from the Tobacco Prevention and Reduction Trust Fund to the general fund.
- ^S In FY2012, the Governor is recommending a transfer of \$20.2 million from the Budget Reserve Fund to the General Fund to pay for 2011 flood and other disaster costs and for pine beetle suppression in the Black Hills through the Emergency and Disaster Fund and the Fire Suppression Fund.