

Senate Joint Resolution 202

Sponsored by Senators MORSE, BURDICK, Representatives BERGER, BARNHART; Senators ATKINSON, FERRIOLI, GIROD, KRUSE, OLSEN, STARR, TELFER, WHITSETT, WINTERS, Representatives KRIEGER, OLSON, SHEEHAN (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Proposes amendment to Oregon Constitution. Requires deposit of excess revenues in Emergency Reserve Fund. Defines excess revenues as percentage amount of General Fund Revenues available for biennium equal to percentage difference between General Fund revenues available for biennium and General Fund appropriations for preceding biennium minus average two-year percentage change in statewide personal income in six calendar years preceding biennium.

Establishes Emergency Reserve Fund. Authorizes, upon making certain findings and with three-fifths majority vote, Legislative Assembly to appropriate moneys in fund. Limits appropriations that may be made from fund during any one biennium. Specifies that if amount in Emergency Fund equals at least 12 percent of General Fund revenues in prior biennium, amount that would be transferred to Emergency Fund shall be returned to taxpayers.

Applies to biennia beginning on or after July 1, 2013.

Refers proposed amendment to people for their approval or rejection at next regular general election.

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by repealing section 14, Article IX, and by creating new sections 15, 16 and 16a to be added to and made a part of Article IX, such sections to read:

SECTION 15. (1) As soon as practicable after the Legislative Assembly determines the ending balance of the General Fund for a biennium, if the growth index is greater than the personal income growth index, any amount of excess revenues as defined in subsection (2) of this section for the biennium shall be transferred to the Emergency Reserve Fund established by section 16 of this Article.

(2) As used in this section:

(a) "Ending balance" means the difference between the amount of General Fund revenues collected during a biennium and the amount of General Fund appropriations for the biennium.

(b) "Excess revenues" means a percentage amount of General Fund revenues available for the biennium that is equal to the growth index percentage minus the personal income growth index percentage.

(c) "General Fund appropriations" means the amount of moneys appropriated from the General Fund for a biennium in the legislatively approved budget for the biennium, minus the amount of any General Fund appropriation balances for that biennium that revert to the General Fund as provided by law.

(d) "General Fund revenues available for the biennium" means the amount of General Fund revenues collected during the biennium minus the amount of revenues contained in the General Fund at the beginning of the biennium.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (e) "Growth index" means the percentage difference between the General Fund revenues
2 available for the biennium and the General Fund appropriations for the preceding biennium
3 in the legislatively approved budget.

4 (f) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly
5 during an odd-numbered year regular session.

6 (g) "Legislatively approved budget" means the legislatively adopted budget as modified
7 by the joint committee referred to in section 3, Article III of this Constitution, or by the
8 Legislative Assembly meeting in regular or special session.

9 (h) "Personal income growth index" means the average two-year percentage change in
10 statewide personal income in the six calendar years preceding the beginning of a biennium.

11 SECTION 16. (1) The Emergency Reserve Fund is established as an account in the Gen-
12 eral Fund. The Legislative Assembly may establish subaccounts within the Emergency Re-
13 serve Fund.

14 (2) The Legislative Assembly may appropriate moneys from the Emergency Reserve Fund
15 for general governmental purposes if:

16 (a) The appropriation is approved by three-fifths of the members serving in each house
17 of the Legislative Assembly and the Legislative Assembly finds one of the following:

18 (A) That the last quarterly economic and revenue forecast for a biennium indicates that
19 moneys available to the General Fund for the next biennium will be at least three percent
20 less than appropriations from the General Fund for the current biennium;

21 (B) That there has been a decline for two or more consecutive quarters in the last 12
22 months in seasonally adjusted nonfarm payroll employment; or

23 (C) That a quarterly economic and revenue forecast projects that revenues in the Gen-
24 eral Fund in the current biennium will be at least two percent below what the revenues were
25 projected to be in the revenue forecast on which the legislatively adopted budget for the
26 current biennium was based; or

27 (b) The appropriation is approved by three-fifths of the members serving in each house
28 of the Legislative Assembly and the Governor declares an emergency.

29 (3) Once each month, in the manner provided by law, a state agency designated by law
30 shall calculate the amount of General Fund interest that is attributable to moneys in the
31 Emergency Reserve Fund. The amount calculated under this subsection shall be transferred
32 to the Emergency Reserve Fund. The Legislative Assembly by law may attribute interest on
33 moneys in a subaccount in the Emergency Reserve Fund to the subaccount.

34 (4) The Legislative Assembly may not appropriate for any one fiscal year more than
35 two-thirds of the amount that is in the Emergency Reserve Fund at the beginning of that
36 fiscal year. If the appropriation is for a fiscal year that has not yet begun, the Legislative
37 Assembly may use as the base the most recent estimate of the amount that will be in the
38 Emergency Reserve Fund at the beginning of the fiscal year for which the appropriation is
39 made.

40 (5) If the moneys in the Emergency Reserve Fund just prior to the time of a transfer to
41 the Emergency Reserve Fund scheduled under section 15 of this Article equal at least 12
42 percent of the amount of General Fund revenues collected during the prior biennium, moneys
43 that would otherwise be transferred to the Emergency Reserve Fund shall be returned to
44 taxpayers in the manner provided by law.

45 (6) If the moneys in the Emergency Reserve Fund just prior to the time of a transfer to

1 the Emergency Reserve Fund scheduled under section 15 of this Article do not equal at least
2 12 percent of the amount of General Fund revenues collected during the prior biennium, the
3 transfer to the Emergency Reserve Fund shall be made regardless of whether that transfer
4 increases the amount in the Emergency Reserve Fund to at least 12 percent of the amount
5 of General Fund revenues collected during the prior biennium.

6 (7) As used in this section, “legislatively adopted budget” means the budget enacted by
7 the Legislative Assembly during an odd-numbered year regular session.

8 SECTION 16a. (1) Sections 15 and 16 of this Article apply to biennia beginning on or after
9 July 1, 2013.

10 (2) The repeal of section 14 of this Article by Senate Joint Resolution 202 (2012) applies
11 to tax years beginning on or after January 1, 2013.

12 (2) This section is repealed on June 30, 2017.

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14 PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the
15 people for their approval or rejection at the next regular general election held throughout
16 this state.

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