

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number: SB 48A
Revenue Area: State Finance
Economist: Warner
Date: 2-15-07

Measure Description:

Takes effect with passage of SJR 3. Establishes the Rainy Day Savings Account within the General Fund. Directs surplus corporate income tax revenue into fund. Requires deposit of General Fund ending balance up to 1% of General Fund appropriations into fund following biennium. Establishes triggers for accessing fund. Revenue deposited into fund above 10% of prior biennium General Fund revenue is deposited into the newly created Education Capital Construction Account.

Revenue Impact:

(in millions)	2007-09 Biennium	2009-11 Biennium
State General Fund	0	-138.4
State Other Funds*	0	+138.4

*Rainy Day Savings Account

Impact Explanation:

Although the Rainy Day Savings Account is contained within the General Fund for cash management purposes it is treated as other fund for budgetary purposes. The first deposit of ending fund balance is assumed to take place in the 2009-11 biennium. The deposit is assumed to be 1% of General Fund 2007-09 appropriations as proposed in the Governor's recommended budget. The Governor's Recommended Budget projects a General Fund ending balance of \$145 million. Under current law these resources would be available for General Fund appropriations in the 2009-11 biennium. Under SB 48A, \$138.4 million of these dollars would be deposited into the Rainy Day Savings Account and not available for appropriation unless one of the triggers specified in the bill is met.

Accounting for the projected surplus corporate kicker revenue redirected by SJR 3 and assuming no surplus corporate kicker revenue following the 2007-09 biennium, a total of \$413 million would be deposited in the fund by March of 2010.

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