

A-Engrossed
House Bill 2707

Ordered by the House February 22
Including House Amendments dated February 22

Sponsored by COMMITTEE ON REVENUE

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.

Establishes Oregon Rainy Day Fund. Increases amount of estimate of revenues that will be received from corporate income and excise taxes for biennium beginning July 1, 2005. Requires deposit into fund of difference between amount actually collected and amount estimated after close of 2005 regular session.

Establishes Education Capital Construction Account. Specifies that moneys in account may be used only for capital construction projects for public education. Requires that if moneys in Oregon Rainy Day Fund equal 10 percent of General Fund revenues collected during prior biennium, moneys that otherwise would have been transferred to Oregon Rainy Day Fund be transferred to Education Capital Construction Account.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to a reserve fund; declaring an emergency; and providing for revenue estimate modification
3 that requires approval by a two-thirds majority.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) The Oregon Rainy Day Fund is established as an account in the General**
6 **Fund.**

7 **(2) The Legislative Assembly may appropriate moneys from the Oregon Rainy Day Fund**
8 **only if:**

9 **(a) The Legislative Assembly finds one of the following:**

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

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

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

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

21 **(3) The Legislative Assembly may not appropriate more than two-thirds of the amount**
22 **in the Oregon Rainy Day Fund for any one biennium.**

23 **SECTION 2. Pursuant to section 14 (6)(a), Article IX of the Oregon Constitution, the**

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 Legislative Assembly increases the amount of the estimate of revenues that will be received
2 from corporate income and excise taxes for the biennium beginning July 1, 2005, to \$975
3 million.

4 **SECTION 3.** (1) Except as provided in subsection (2) of this section, any positive differ-
5 ence between the actual amount of revenues collected from corporate income and excise
6 taxpayers for the biennium beginning July 1, 2005, and the estimate made for that biennium
7 pursuant to section 14 (1), Article IX of the Oregon Constitution, shall be deposited in the
8 Oregon Rainy Day Fund established in section 1 of this 2007 Act.

9 (2) If the actual amount of revenues collected from corporate income and excise taxpay-
10 ers for the biennium beginning July 1, 2005, exceeds the amount of the estimate made in
11 section 2 of this 2007 Act by two percent or more:

12 (a) The difference between the actual amount of revenues and the estimate made in
13 section 2 of this 2007 Act shall be returned to corporate income and excise taxpayers in the
14 manner provided in ORS 291.349; and

15 (b) The difference between the estimate of revenues made in section 2 of this 2007 Act
16 and the estimate made for the biennium beginning July 1, 2005, pursuant to section 14 (1),
17 Article IX of the Oregon Constitution, shall be deposited in the Oregon Rainy Day Fund es-
18 tablished in section 1 of this 2007 Act.

19 **SECTION 4.** (1) As used in this section:

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

23 (b) "General Fund appropriations" means the amount of moneys appropriated from the
24 General Fund for a biennium in the legislatively approved budget for the biennium, minus
25 the amount of any General Fund appropriation balances for that biennium that revert to the
26 General Fund under ORS 293.190.

27 (c) "Legislatively approved budget" has the meaning given that term in ORS 291.002.

28 (2) As soon as possible after the ending balance for a biennium is determined, an amount
29 equal to one percent of the amount of General Fund appropriations for that biennium shall
30 be transferred from the ending balance to the Oregon Rainy Day Fund established in section
31 1 of this 2007 Act. If the ending balance does not equal or exceed one percent of the amount
32 of General Fund appropriations, the entire ending balance shall be transferred to the Oregon
33 Rainy Day Fund.

34 **SECTION 5.** Section 4 of this 2007 Act applies to ending balances for biennia beginning
35 on or after July 1, 2007.

36 **SECTION 6.** Notwithstanding section 4 of this 2007 Act, if the moneys in the Oregon
37 Rainy Day Fund equal 10 percent of the amount of General Fund revenues collected during
38 the prior biennium, moneys that would otherwise be transferred to the Oregon Rainy Day
39 Fund shall be transferred to the Education Capital Construction Account established in sec-
40 tion 7 of this 2007 Act.

41 **SECTION 7.** The Education Capital Construction Account is established as an account in
42 the General Fund. The account shall consist of moneys transferred to the account under
43 section 6 of this 2007 Act. Moneys in the account may be used only for capital construction
44 projects for public education.

45 **SECTION 8.** This 2007 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
2 **on its passage.**

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