

**Minority Report**  
**A-Engrossed**  
**House Bill 2707**

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

Sponsored by nonconcurring members of the House Committee on Revenue: Representatives BUTLER, BERGER

**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*] **Provides for distribution to corporate income and excise taxpayers and to fund of difference between amount actually collected and amount estimated after close of 2005 regular session.**

**Requires that after first revenue forecast following adjournment sine die of regular legislative session, specified percentage of projected General Fund revenues be transferred to Oregon Rainy Day Fund.**

**Establishes Education Capital Construction Account. Specifies that moneys in account may be used only for capital construction projects for public education. Requires that if sum of moneys in Oregon Rainy Day Fund and moneys in Education Stability Fund equals 10 percent of General Fund revenues projected for biennia beginning on or after July 1, 2007, 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 the appropriation is approved by two-thirds of the members serving in each house of**  
9 **the Legislative Assembly and the Governor declares an emergency.**

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

12 **SECTION 2. Pursuant to section 14 (6)(a), Article IX of the Oregon Constitution, the**  
13 **Legislative Assembly increases the amount of the estimate of revenues that will be received**  
14 **from corporate income and excise taxes for the biennium beginning July 1, 2005, to \$775**  
15 **million.**

16 **SECTION 3. (1) Except as provided in subsection (2) of this section, any positive differ-**  
17 **ence between the actual amount of revenues collected from corporate income and excise**  
18 **taxpayers for the biennium beginning July 1, 2005, and the estimate made for that biennium**  
19 **pursuant to section 14 (1), Article IX of the Oregon Constitution, shall be distributed as fol-**

**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 **lows:**

2 (a) **The amount of \$35.1 million shall be distributed to corporate income and excise tax-**  
3 **payers whose net taxable income for the 2007 tax year is \$500,000 or less; and**

4 (b) **The remainder shall be deposited in the Oregon Rainy Day Fund established in section**  
5 **1 of this 2007 Act.**

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

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

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

16 **SECTION 4. As soon as possible after the first revenue forecast following adjournment**  
17 **sine die of a regular session of the Legislative Assembly, an amount equal to one percent of**  
18 **the projected amount of General Fund revenues for the biennium beginning July 1 of the year**  
19 **the regular session started shall be transferred to the Oregon Rainy Day Fund established**  
20 **in section 1 of this 2007 Act.**

21 **SECTION 5. Section 4 of this 2007 Act applies to biennia beginning on or after July 1,**  
22 **2007.**

23 **SECTION 6. Notwithstanding section 4 of this 2007 Act, if the sum of moneys in the**  
24 **Oregon Rainy Day Fund and moneys in the Education Stability Fund equals 10 percent of the**  
25 **projected amount of General Fund revenues described in section 4 of this 2007 Act, moneys**  
26 **that would otherwise be transferred to the Oregon Rainy Day Fund shall be transferred to**  
27 **the Education Capital Construction Account established in section 7 of this 2007 Act.**

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

32 **SECTION 8. This 2007 Act being necessary for the immediate preservation of the public**  
33 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**  
34 **on its passage.**

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