

# House Joint Resolution 55

Sponsored by Representatives C EDWARDS, HUNT; Representatives BARNHART, CLEM, COWAN, D EDWARDS, GALIZIO, KOTEK, NATHANSON, READ, ROBLAN

## 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 to establish Oregon Reserve Fund, to consist of 50 percent of General Fund ending balance and 50 percent of taxes on capital gains. Caps reserve fund at 10 percent of General Fund revenues received in prior biennium. Specifies conditions for appropriating moneys from reserve fund.

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

## JOINT RESOLUTION

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

3 **PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating a new section  
4 2a to be added to and made a part of Article IX, such section to read:

5 **SECTION 2a. (1) The Oregon Reserve Fund is established. Except as provided in sub-**  
6 **section (5) of this section, the following moneys shall be deposited into the reserve fund:**

7 (a) **Fifty percent of the General Fund ending balance for each biennium;**

8 (b) **Fifty percent of the amount received by the state in each biennium from any tax**  
9 **imposed on capital gains; and**

10 (c) **Any other moneys the Legislative Assembly determines by law shall be deposited into**  
11 **the Oregon Reserve Fund.**

12 (2) **The Legislative Assembly shall prescribe by law the method for determining the**  
13 **General Fund ending balance for a biennium.**

14 (3) **The Legislative Assembly may establish by law the Oregon Reserve Fund as an ac-**  
15 **count in the General Fund. If the reserve fund is established as an account in the General**  
16 **Fund, moneys in the reserve fund may not be included in calculations of the General Fund**  
17 **ending balance that are made for purposes of this section.**

18 (4) **Moneys in the Oregon Reserve Fund may be invested as provided by law and are not**  
19 **subject to the limitations of section 6, Article XI of this Constitution. The Legislative As-**  
20 **sembly may provide by law that earnings on moneys in the Oregon Reserve Fund shall be**  
21 **deposited into the General Fund to be available for general governmental expenses. Earnings**  
22 **on moneys in the Oregon Reserve Fund are not General Fund revenues for purposes of sub-**  
23 **section (5) of this section.**

24 (5) **When the amount in the Oregon Reserve Fund exceeds 10 percent of the actual**  
25 **amount of General Fund revenues for the prior biennium, moneys need not be deposited into**  
26 **the reserve fund.**

27 (6) **The Legislative Assembly may appropriate by law any portion of the principal of the**  
28 **Oregon Reserve Fund if:**

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

3 (A) That the last quarterly economic and revenue forecast presented prior to the end of  
4 the regular legislative session estimates that General Fund revenues for the biennium that  
5 begins on July 1 of the year of the regular legislative session will be at least three percent  
6 less than the amount of appropriations made from the General Fund for the biennium that  
7 ends on June 30 of the year of the regular legislative session, as determined as of the date  
8 the forecast is presented;

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

11 (C) That a quarterly economic and revenue forecast estimates that General Fund reven-  
12 ues for the biennium in which the forecast is made will be at least two percent below the  
13 amount estimated in the last quarterly economic and revenue forecast presented prior to the  
14 end of the regular legislative session in which the budget for the current biennium was  
15 adopted; or

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

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

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