

# Enrolled Senate Bill 339

Sponsored by Senator COURTNEY

CHAPTER .....

AN ACT

Relating to allotments; creating new provisions; amending ORS 291.252 and 291.261; and declaring an emergency.

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

**SECTION 1.** ORS 291.252 is amended to read:

291.252. *[The Oregon Department of Administrative Services may at any time modify or amend any allotment previously made by it, upon application of, or upon notice to, the agency concerned, but no such modification or amendment shall reduce an allotment below the amount required to meet valid obligations or commitments previously incurred against the allotted funds.]*

**(1) Upon application of or upon notice to the agency concerned, the Oregon Department of Administrative Services may at any time modify or amend any allotment previously made by the department.**

**(2) A modification or amendment of an allotment made under subsection (1) of this section may not reduce an allotment below the amount required to meet valid obligations or commitments previously incurred against the allotted funds, including, but not limited to, commitments for the payment of debt service as defined in ORS 291.261.**

**SECTION 2.** ORS 291.261 is amended to read:

291.261. (1) Notwithstanding the legislative policy and intent declared in ORS 291.232, if the Oregon Department of Administrative Services declares at any time during a biennium that there is a projected deficit in that biennium, the department may, with the approval of the Governor and in order to prevent the deficit, reduce the amount allotted to state agencies under ORS 291.234 to 291.260 from the General Fund in the manner provided in subsection (2) of this section.

(2)(a) In reducing allotments under this section, the department and the Governor shall follow legislative funding priorities as expressed in statutes and in the legislatively adopted or approved budget for the biennium. Unless statutes or the legislatively adopted or approved budget indicate otherwise, the department and the Governor shall assume that all General Fund appropriations have the same priority and shall reduce allotments of General Fund moneys for each state agency receiving General Fund moneys by the same percentage.

(b) The department and the Governor may not reduce allotments under this section by a total amount that exceeds the amount necessary to bring the total estimated General Fund ending balance to zero.

(3) For purposes of this section, the department may declare that there is a projected deficit if a quarterly estimate made as provided in ORS 291.342 indicates that the projected balance in the General Fund at the end of the biennium will be less than zero.

(4) Subsections (1) to (3) of this section do not apply to an allotment, or a portion of an allotment, that is designated by a state agency for the payment of debt service. After an allotment that is designated by a state agency for the payment of debt service is made, the department and the Governor may not reduce the allotment or a portion of the allotment below the amount needed for the payment of debt service in the biennium.

(5) As used in this section:

(a) "Agreement for exchange of interest rates" has the meaning given that term in ORS 286A.001.

(b) "Bond" has the meaning given that term in ORS 286A.001.

(c) "Credit enhancement device" has the meaning given that term in ORS 286A.001.

(d) "Payment of debt service" means:

(A) The payment of principal, interest or other amounts owed under a bond;

(B) The transfer, segregation or other disposition of moneys to comply with bond payment amounts or required reserve amounts; or

(C) The payment of amounts owed under an agreement for exchange of interest rates, a credit enhancement device or a similar instrument.

**SECTION 3.** The amendments to ORS 291.252 and 291.261 by sections 1 and 2 of this 2009 Act apply to allotments made before, on or after the effective date of this 2009 Act.

**SECTION 4.** This 2009 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect on its passage.

Passed by Senate January 16, 2009

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Secretary of Senate

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President of Senate

Passed by House January 22, 2009

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Speaker of House

Received by Governor:

.....M.,....., 2009

Approved:

.....M.,....., 2009

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2009

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Secretary of State