

Senate Bill 339

Sponsored by Senator COURTNEY

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**.

Prohibits Oregon Department of Administrative Services and Governor from reducing amounts allotted to state agencies for payment of debt service.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to allotments; creating new provisions; amending ORS 291.252 and 291.261; and declaring
3 an emergency.

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

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

6 291.252. [*The Oregon Department of Administrative Services may at any time modify or amend any*
7 *allotment previously made by it, upon application of, or upon notice to, the agency concerned, but no*
8 *such modification or amendment shall reduce an allotment below the amount required to meet valid*
9 *obligations or commitments previously incurred against the allotted funds.*]

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

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

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

18 291.261. (1) Notwithstanding the legislative policy and intent declared in ORS 291.232, if the
19 Oregon Department of Administrative Services declares at any time during a biennium that there
20 is a projected deficit in that biennium, the department may, with the approval of the Governor and
21 in order to prevent the deficit, reduce the amount allotted to state agencies under ORS 291.234 to
22 291.260 from the General Fund in the manner provided in subsection (2) of this section.

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

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

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

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

9 (5) **As used in this section:**

10 (a) **“Agreement for exchange of interest rates” has the meaning given that term in ORS**
11 **286A.001.**

12 (b) **“Bond” has the meaning given that term in ORS 286A.001.**

13 (c) **“Credit enhancement device” has the meaning given that term in ORS 286A.001.**

14 (d) **“Payment of debt service” means:**

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

16 (B) **The transfer, segregation or other disposition of moneys to comply with bond pay-**
17 **ment amounts or required reserve amounts; or**

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

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

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

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