

Updated Sponsors

House Bill 3641

Sponsored by Representative RICHARDSON; Representatives CAMERON, FREEMAN, GILLIAM, HANNA, HUFFMAN, KRIEGER, SPRENGER, THATCHER, THOMPSON, WEIDNER, WHISNANT, WINGARD (Presession filed.)

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**.

Limits amount of biennial appropriations by Legislative Assembly. Specifies what constitutes appropriation. Exempts certain appropriations. Specifies when revenues that exceed amount of limit are transferred to Oregon Rainy Day Fund. Modifies conditions under which moneys may be appropriated from Oregon Rainy Day Fund. Modifies limit on amount that may be transferred to Oregon Rainy Day Fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending ORS 293.144, 293.146
3 and 293.148; and declaring an emergency.

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

5 **SECTION 1. (1) In addition to the provisions of ORS 291.357, the Legislative Assembly**
6 **may not appropriate for a biennium a total amount of money that exceeds the total amount**
7 **appropriated for the immediately preceding biennium by a percentage equal to the total of:**

8 (a) **The percentage increase in the Consumer Price Index for All Urban Consumers of the**
9 **Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Depart-**
10 **ment of Labor, Bureau of Labor Statistics, for the previous calendar year; and**

11 (b) **The estimated percentage increase in the population of this state for the previous**
12 **calendar year based on data published or officially provided by the Portland State University**
13 **Population Research Center.**

14 (2) **For purposes of this section, the following are considered to be appropriations:**

15 (a) **An authorization, given by law, to expend moneys in a biennium;**

16 (b) **A limitation, imposed by law, on the expenditure in a biennium of moneys that are**
17 **continuously appropriated; and**

18 (c) **An estimate of amounts of moneys that are continuously appropriated that will be**
19 **spent in a biennium without limitation.**

20 (3) **The following appropriations are not subject to the limitation on appropriations con-**
21 **tained in this section:**

22 (a) **Appropriations of moneys voluntarily donated to a state agency.**

23 (b) **Appropriations of moneys from revenue increases or new revenue sources if the in-**
24 **creases or sources result from approval of a measure by the people at an election held on**
25 **or after the effective date of this 2010 Act.**

26 (c) **Appropriations to fund new programs or to increase funding for existing programs if**
27 **the need for new or increased funding results from approval of a measure by the people at**

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 **an election held on or after the effective date of this 2010 Act.**

2 **SECTION 2.** ORS 293.144 is amended to read:

3 293.144. (1) The Oregon Rainy Day Fund is established as an account in the General Fund.

4 (2) The Legislative Assembly may appropriate moneys from the Oregon Rainy Day Fund only
5 if:

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

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

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

13 [(c)] (C) That a quarterly economic and revenue forecast projects that revenues in the General
14 Fund in the current biennium will be at least two percent below what the revenues were projected
15 to be in the revenue forecast on which the legislatively adopted budget for the current biennium
16 was based; or

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

19 (3) Once each month, the Oregon Department of Administrative Services shall calculate the
20 amount of General Fund interest that is attributable to moneys in the Oregon Rainy Day Fund.
21 Except as otherwise provided in ORS 293.148, the department shall transfer the amount calculated
22 under this subsection to the Oregon Rainy Day Fund.

23 (4) The Legislative Assembly may not appropriate for any one biennium more than **the lesser
24 of:**

25 (a) Two-thirds of the amount that is in the Oregon Rainy Day Fund at the beginning of that
26 biennium; or

27 (b) **An amount that would result in total appropriations for the biennium that exceeds
28 the amount of the limit on appropriations contained in section 1 of this 2010 Act.** *[If the ap-
29 propriation is for a biennium that has not yet begun, the Legislative Assembly may use as the base the
30 most recent estimate of the amount that will be in the Oregon Rainy Day Fund at the beginning of the
31 biennium for which the appropriation is made.]*

32 (5) As used in this section, “legislatively adopted budget” has the meaning given that term in
33 ORS 291.002.

34 **SECTION 3.** ORS 293.146 is amended to read:

35 293.146. (1) As used in this section:

36 (a) “Ending balance” means the difference between the amount of General Fund revenues col-
37 lected during a biennium and the amount of General Fund appropriations for the biennium.

38 (b) “General Fund appropriations” means the amount of moneys appropriated from the General
39 Fund for a biennium in the legislatively approved budget for the biennium, minus the amount of any
40 General Fund appropriation balances for that biennium that revert to the General Fund under ORS
41 293.190.

42 (c) “Legislatively approved budget” has the meaning given that term in ORS 291.002.

43 (2) Except as provided in ORS 293.148, as soon as possible after the ending balance for a
44 biennium is determined, *[an amount equal to one percent of the amount of General Fund appropri-
45 ations]* **if the amount of General Fund revenues exceeds the amount of the limit on appro-**

1 **priations contained in section 1 of this 2010 Act, the amount of the ending balance** for that
 2 biennium shall be transferred to the Oregon Rainy Day Fund established by ORS 293.144. *[If the*
 3 *ending balance does not equal or exceed one percent of the amount of General Fund appropriations,*
 4 *an amount equal to the ending balance shall be transferred to the Oregon Rainy Day Fund.]*

5 **SECTION 4.** ORS 293.148 is amended to read:

6 293.148. (1) If the moneys in the Oregon Rainy Day Fund established by ORS 293.144 just prior
 7 to the time of a transfer scheduled under ORS 293.144 (3) or 293.146 equal at least [7-1/2] **25** percent
 8 of the amount of General Fund revenues collected during the prior biennium, moneys that would
 9 otherwise be transferred to the Oregon Rainy Day Fund shall be *[deposited in the General Fund]*
 10 **applied toward extinguishment of state certificates of participation, bonds or other long term**
 11 **debt.**

12 (2) If the moneys in the Oregon Rainy Day Fund just prior to the time of a transfer scheduled
 13 under ORS 293.144 (3) or 293.146 do not equal at least [7-1/2] **25** percent of the amount of General
 14 Fund revenues collected during the prior biennium, the transfer to the Oregon Rainy Day Fund shall
 15 be made regardless of whether that transfer increases the amount in the Oregon Rainy Day Fund
 16 to at least [7-1/2] **25** percent of the amount of General Fund revenues collected during the prior
 17 biennium.

18 **SECTION 5.** (1) **Section 1 of this 2010 Act and the amendments to ORS 293.144, 293.146**
 19 **and 293.148 by sections 2 to 4 of this 2010 Act first apply to appropriations for the biennium**
 20 **beginning July 1, 2011.**

21 (2) **The base amount for determining the maximum allowed amount of appropriations for**
 22 **the biennium beginning July 1, 2011, under section 1 of this 2010 Act is the total amount of**
 23 **appropriations for the biennium beginning on July 1, 2009, as that amount would be deter-**
 24 **mined under section 1 of this 2010 Act.**

25 (3) **Section 1 of this 2010 Act first applies to increases occurring in the Consumer Price**
 26 **Index for All Urban Consumers of the Portland, Oregon, Metropolitan Statistical Area, as**
 27 **compiled by the United States Department of Labor, Bureau of Labor Statistics, and esti-**
 28 **imated percentage increases in the population of this state, based on data published or offi-**
 29 **cially provided by the Portland State University Population Research Center occurring on**
 30 **or after January 1, 2010.**

31 **SECTION 6.** **This 2010 Act being necessary for the immediate preservation of the public**
 32 **peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect**
 33 **on its passage.**