

Senate Bill 1051

Sponsored by Senator BOQUIST; Senators FERRIOLI, GIROD, KRUSE, MORSE, WHITSETT (Pre-session 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**.

Establishes Oregon Other Funds Reserve Fund. Transfers portion of June 30, 2011, ending balance from dedicated or continuously appropriated Other Funds accounts or funds to reserve fund. Transfers interest from reserve fund to State School Fund. Specifies circumstances under which amounts transferred to reserve fund may be modified or appropriated.

Directs state agencies to follow generally accepted accounting practices relating to fund balance reporting and governmental fund type definitions.

Takes effect July 1, 2011.

A BILL FOR AN ACT

1
2 Relating to state finance; and prescribing an effective date.

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

4 **SECTION 1. (1) The Oregon Other Funds Reserve Fund is established in the State**
5 **Treasury, separate and distinct from the General Fund. Except as provided in subsection (2)**
6 **of this section, interest earned by the Oregon Other Funds Reserve Fund shall be credited**
7 **to the fund.**

8 **(2) On July 1 of each calendar year, the Oregon Department of Administrative Services**
9 **shall calculate the amount of interest that is attributable to moneys in the Oregon Other**
10 **Funds Reserve Fund as of that date. The department shall transfer the amount calculated**
11 **under this subsection from the reserve fund to the State School Fund established by ORS**
12 **327.008.**

13 **(3) The department shall maintain a record of the amounts each state agency transfers**
14 **to the reserve fund under section 2 of this 2010 Act.**

15 **(4) The Legislative Assembly may appropriate moneys from the Oregon Other Funds**
16 **Reserve Fund for any purpose if the appropriation is approved by three-fifths of the members**
17 **serving in each house of the Legislative Assembly.**

18 **(5) As used in this section, "state agency" has the meaning given that term in ORS**
19 **291.322.**

20 **SECTION 2. (1) Subject to action by the Emergency Board under subsection (2) of this**
21 **section, on July 1, 2011, or the next business day following adjournment sine die of the reg-**
22 **ular session of the Seventy-sixth Legislative Assembly, whichever is later, each state agency**
23 **administering a statutory fund or account that includes fees, moneys or other revenues, in-**
24 **cluding Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or**
25 **received by the state agency that are dedicated or continuously appropriated to the agency**
26 **by statute for the uses and purposes of the agency, shall transfer from the fund or account**
27 **to the Oregon Other Funds Reserve Fund an amount equal to the ending balance of the fund**
28 **or account on June 30, 2011, minus 12.5 percent of the amount the agency is authorized by**

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 the Legislative Assembly to spend from the fund or account for the biennium beginning on
 2 July 1, 2011.

3 (2) Upon request of a state agency, the Emergency Board may, for the biennium begin-
 4 ning July 1, 2011, authorize a state agency to retain, in a fund or account described in sub-
 5 section (1) of this section, an amount that exceeds 12.5 percent of the amount the agency is
 6 authorized by the Legislative Assembly to spend from the fund or account for the biennium.

7 (3) For purposes of section 3 (1)(b), Article III of the Oregon Constitution, and ORS
 8 291.326 (1)(b), the amount a state agency may retain under this section in a fund or account
 9 described in subsection (1) of this section is considered to be part of the budget of the agency
 10 as approved in accordance with law.

11 (4) Subsections (1) to (3) of this section do not apply to:

12 (a) Funds or accounts that receive moneys appropriated from the General Fund;

13 (b) Funds or accounts established by the Oregon Constitution or whose expenditures are
 14 limited or otherwise directed by provisions of the Oregon Constitution;

15 (c) Federal funds or lottery funds deposited in any fund or account that includes dedi-
 16 cated or continuously appropriated moneys; or

17 (d) Dedicated or continuously appropriated moneys in a fund or account described in
 18 subsection (1) of this section that are authorized by law to be expended without limitation.

19 (5) As used in this section, “state agency” has the meaning given that term in ORS
 20 291.322.

21 **SECTION 3.** The Oregon Department of Administrative Services shall make the first
 22 transfer to the State School Fund under section 1 (2) of this 2010 Act on July 1, 2012.

23 **SECTION 4.** (1) As used in this section, “state agency” has the meaning given that term
 24 in ORS 291.322.

25 (2) For purposes of sections 1 and 2 of this 2010 Act and for any other financial reporting
 26 required by law, a state agency shall follow generally accepted accounting practices regard-
 27 ing fund balance reporting and governmental fund type definitions. In determining the con-
 28 tent of generally accepted accounting practices, state agencies shall consider statements
 29 adopted by the Governmental Accounting Standards Board.

30 **SECTION 5.** This 2010 Act takes effect July 1, 2011.

31