

DRAFT

SUMMARY

Directs Legislative Assembly to leave amount unappropriated for biennium if Legislative Assembly determines that percentage increase in available General Fund revenues exceeds increase in rate of population and inflation. Sets amount left unappropriated at percentage difference between increase in revenues available for biennium and population and inflation growth, with three percent maximum. Requires deposit of unappropriated amount in Oregon Rainy Day Fund if General Fund revenues collected equal or exceed revenue estimate for biennium.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state finance; creating new provisions; amending ORS 293.148;
3 and declaring an emergency.

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

5 **SECTION 1. (1) If required under subsection (2) of this section, in**
6 **budgeting for a biennium that begins on July 1 of the year of a regular**
7 **legislative session held in an odd-numbered year, the Legislative As-**
8 **sembly shall leave unappropriated an amount of General Fund reve-**
9 **nuues estimated to be available for the biennium. The Legislative**
10 **Assembly shall use the estimate of General Fund revenues contained**
11 **in the last quarterly economic and revenue forecast presented prior**
12 **to the end of the regular legislative session held in an odd-numbered**
13 **year. For purposes of this section, the quarterly economic and revenue**
14 **forecast is the forecast made for purposes of section 4 (6), Article XV**
15 **of the Oregon Constitution.**

16 **(2)(a) Subject to paragraph (b) of this subsection, if the Legislative**
17 **Assembly determines that the growth index is greater than the popu-**

1 lation and inflation index, the amount to be left unappropriated under
2 subsection (1) of this section will be a percentage of the General Fund
3 revenues estimated to be available for the biennium that is equal to
4 the growth index percentage minus the population and inflation index
5 percentage.

6 (b) The amount to be left unappropriated under this section may
7 not exceed three percent of the General Fund revenues estimated to
8 be available for the biennium.

9 (3) As soon as practicable after the Legislative Assembly determines
10 the ending balance of the General Fund for a biennium, if the amount
11 of General Fund revenues collected during the biennium equals or ex-
12 ceeds the amount of the estimate used to determine the amount left
13 unappropriated for that biennium under subsection (2) of this section,
14 the amount that was left unappropriated under subsection (2) of this
15 section shall be transferred to the Oregon Rainy Day Fund established
16 by ORS 293.144.

17 (4) As used in this section:

18 (a) "Ending balance" means the difference between the amount of
19 General Fund revenues collected during a biennium and the amount
20 of General Fund appropriations for the biennium.

21 (b) "General Fund appropriations" means the amount of moneys
22 appropriated from the General Fund for a biennium in the legislatively
23 approved budget for the biennium, minus the amount of any General
24 Fund appropriation balances for that biennium that revert to the
25 General Fund as provided by law.

26 (c) "General Fund revenues estimated to be available for the
27 biennium" means:

28 (A) The amount of revenues contained in the General Fund at the
29 beginning of the biennium; and

30 (B) The amount of General Fund revenues estimated to be collected
31 during the biennium.

1 (d) "Growth index" means the percentage difference between the
2 General Fund revenues estimated to be available for the biennium and
3 the General Fund revenues appropriated for the preceding biennium.

4 (e) "Legislatively adopted budget" means the budget enacted by the
5 Legislative Assembly during an odd-numbered year.

6 (f) "Legislatively approved budget" means the legislatively adopted
7 budget as modified by the joint committee referred to in section 3,
8 Article III of the Oregon Constitution, or by the Legislative Assembly
9 meeting in special session.

10 (g) "Population and inflation index" means the sum of:

11 (A) The ratio of the cost of living for the previous calendar year to
12 the cost of living for two years prior to the previous calendar year,
13 based on changes in the U.S. City Average Consumer Price Index for
14 All Urban Consumers (All Items) as published by the Bureau of Labor
15 Statistics of the United States Department of Labor or other consumer
16 price index designated by law; and

17 (B) The ratio of the estimated population of this state for the pre-
18 vious calendar year to the estimated population of this state for two
19 years prior to the previous calendar year, as determined in the manner
20 provided by law.

21 **SECTION 2.** ORS 293.148 is amended to read:

22 293.148. (1) If the moneys in the Oregon Rainy Day Fund established by
23 ORS 293.144 just prior to the time of a transfer scheduled under ORS 293.144
24 (3) or 293.146 **or section 1 of this 2011 Act** equal at least [7-1/2] **12** percent
25 of the amount of General Fund revenues collected during the prior biennium,
26 moneys that would otherwise be transferred to the Oregon Rainy Day Fund
27 shall be deposited in the General Fund.

28 (2) If the moneys in the Oregon Rainy Day Fund just prior to the time
29 of a transfer scheduled under ORS 293.144 (3) or 293.146 **or section 1 of this**
30 **2011 Act** do not equal at least [7-1/2] **12** percent of the amount of General
31 Fund revenues collected during the prior biennium, the transfer to the

1 Oregon Rainy Day Fund shall be made regardless of whether that transfer
2 increases the amount in the Oregon Rainy Day Fund to at least [7-1/2] 12
3 percent of the amount of General Fund revenues collected during the prior
4 biennium.

5 **SECTION 3. Section 1 of this 2011 Act and the amendments to ORS**
6 **293.148 by section 2 of this 2011 Act apply to biennia beginning on or**
7 **after July 1, 2011.**

8 **SECTION 4. This 2011 Act being necessary for the immediate pres-**
9 **ervation of the public peace, health and safety, an emergency is de-**
10 **clared to exist, and this 2011 Act takes effect on its passage.**

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