

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SJR 26 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Proposes an amendment to the Oregon Constitution establishing the Emergency Reserve Fund as an account in the General Fund.

Government Unit(s) Affected:

Secretary of State

Summary of Expenditure Impact:

See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

This measure would refer for voters' approval a Constitutional amendment establishing the Emergency Reserve Fund as an account in the General Fund. The measure specifies triggers for accessing the fund, limits withdrawals from the fund, and prohibits the transfer of additional monies to the fund when the fund balance exceeds 14% of the amount of General Fund revenues collected in the prior biennium. The measure repeals the 2% corporate surplus kicker; and transfers the amount of corporate income tax revenue above forecast to the Emergency Reserve Fund, when the 2% trigger is exceeded and the fund balance of the Emergency Reserve Fund does not exceed 14% of prior biennium General Fund revenues. The measure also modifies the 2% personal surplus kicker; and allocates 50% of revenue above forecast to personal income taxpayers and 50% to the Emergency Reserve Fund, when the 2% trigger is exceeded. If the 2% trigger is exceeded but the balance in the Emergency Reserve Fund prohibits the transfer of additional monies to it, then 100% of revenue above forecast is directed to personal income taxpayers.

The fiscal impact of this measure to the Secretary of State's office is the state's portion of incremental costs incurred for an already-funded election. The Secretary of State prepares and distributes the voters' pamphlet and collects a \$500 filing fee for each argument submitted in support or opposition of a ballot measure. Typically, these filing fees cover slightly more than one-half of the cost of producing and mailing the voters' pamphlet. The remaining costs are paid by the General Fund.

At this time, the fiscal impact to the Secretary of State's office is indeterminate because the cost of producing and distributing the voters' pamphlet is determined by the total number of initiatives, legislative referrals and arguments submitted in support or opposition of these ballot measures, and this information will not be known until after election filing deadlines. The Legislative Fiscal Office (LFO) assumes that the Secretary will seek General Fund support from the Emergency Board or Legislative Assembly if the actual voters' pamphlet costs exceed currently budgeted election expenditures.

Under procedures established in ORS 250.125 and 250.127, a financial impact committee is created for each state measure submitted to the ballot through the initiative and referendum processes. For this reason, LFO does not include an estimate of the fiscal impact that would result if SJR 26 were to be adopted by a vote of the people.