

# House Joint Resolution 16

Sponsored by Representative RICHARDSON (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**.

Proposes amendment to Oregon Constitution to limit total amount of biennial appropriations by Legislative Assembly. Specifies what constitutes appropriation. Exempts certain types of appropriations. Allows Legislative Assembly by three-fourths vote to exceed limit if Legislative Assembly declares catastrophic disaster has occurred. Specifies that revenues in excess of limit are transferred to statutory reserve fund. Suspends operation of constitutional "kicker" provisions until statutory reserve fund balance reaches amount equal to 25 percent of General Fund revenues for prior biennium and all state bond debt and other state debt is paid.

Refers proposed amendment to people for their approval or rejection at next regular general election.

## JOINT RESOLUTION

**Be It Resolved by the Legislative Assembly of the State of Oregon:**

**PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating new sections 15 and 15a to be added to and made a part of Article IX, and by amending section 14, Article IX, such sections to read:

**SECTION 15. (1) The Legislative Assembly may not appropriate for a biennium a total amount of money that exceeds the total amount appropriated for the preceding biennium by a rate greater than the product of:**

**(a) The ratio of the cost of living for the previous calendar year to the cost of living for two years prior to the previous calendar year, based on changes in the Consumer Price Index or a similar indicator of inflation, as designated by law; and**

**(b) The ratio of the estimated population of this state for the previous calendar year to the estimated population of this state for two years prior to the previous calendar year, as determined in the manner provided by law.**

**(2) For purposes of the calculation required under subsection (1) of this section, if the amount of the legislatively approved budget for the preceding biennium exceeds the amount of the legislatively adopted budget for that biennium, the amount that may be appropriated for the subsequent biennium under subsection (1) of this section is calculated based on the amount of the legislatively adopted budget for the preceding biennium.**

**(3) The limit on appropriations established by this section may be exceeded for a biennium if the Legislative Assembly declares that a catastrophic disaster has occurred and three-fourths of the members serving in each house of the Legislative Assembly affirmatively vote to exceed the limit for the biennium. For the biennium subsequent to a biennium for which the limit on appropriations was exceeded under this subsection, the amount that may be appropriated under subsection (1) of this section shall be calculated based on the amount appropriated for the biennium immediately preceding the biennium for which the limit on appropriations was exceeded under this subsection.**

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

2 (a) An authorization that is given by law to expend moneys in a biennium.

3 (b) A limitation that is imposed by law on the expenditure in a biennium of moneys that  
4 are continuously appropriated.

5 (c) Estimated amounts of moneys that are continuously appropriated to be spent in a  
6 biennium without limitation.

7 (5) The following types of appropriations are not subject to the limitation on appropri-  
8 ations specified in subsection (1) of this section:

9 (a) Appropriations of moneys that are voluntarily donated to any unit of state govern-  
10 ment.

11 (b) Appropriations of moneys from increases in revenue or new revenue sources if the  
12 increases or sources result from a measure approved by the people at an election held on  
13 or after November 6, 2012.

14 (c) Appropriations to fund new programs or to increase funding for existing programs if  
15 the need for the new or increased funding results from a measure approved by the people  
16 at an election held on or after November 6, 2012.

17 (6) As soon as practicable after the Legislative Assembly determines the ending balance  
18 of the General Fund for a biennium, if the amount of General Fund revenues collected during  
19 the biennium exceeds the amount of the limit on appropriations specified in subsection (1)  
20 of this section, the amount of the ending balance for that biennium shall be transferred, in  
21 the manner provided by law, to a reserve fund designated by law.

22 (7)(a) If the amount of moneys in the reserve fund immediately prior to the time of a  
23 transfer under subsection (6) of this section equals at least 25 percent of the amount of  
24 General Fund revenues collected during the preceding biennium, moneys that would other-  
25 wise be transferred to the reserve fund shall be used to pay or extinguish state bond debt  
26 or other state debt authorized by law to be incurred. Moneys shall be applied to pay or ex-  
27 tinguish state bond debt or other state debt in an order that requires extinguishment of the  
28 highest-cost debt first. If all state bond debt and other state debt has been extinguished,  
29 moneys that would otherwise be transferred to the reserve fund shall be returned to tax-  
30 payers as provided in section 14 of this Article, if applicable, or deposited in the General  
31 Fund.

32 (b) If the amount of moneys in the reserve fund immediately prior to the time of a  
33 transfer under subsection (6) of this section does not equal at least 25 percent of the amount  
34 of General Fund revenues collected during the preceding biennium, the transfer to the re-  
35 serve fund shall be made regardless of whether the transfer increases the amount in the  
36 reserve fund to at least 25 percent of the amount of General Fund revenues collected during  
37 the preceding biennium.

38 (8) As used in this section:

39 (a) "Catastrophic disaster" means a natural or human-caused event that:

40 (A) Results in extraordinary levels of death, injury, property damage or disruption of  
41 daily life in this state; and

42 (B) Severely affects the population, infrastructure, environment, economy or government  
43 functioning of this state.

44 (b) "Ending balance" means the difference between the amount of General Fund revenues  
45 collected during a biennium and the amount of General Fund appropriations for the

1 **biennium.**

2 (c) **“General Fund appropriations” means the amount of moneys appropriated from the**  
3 **General Fund for a biennium in the legislatively approved budget for the biennium, minus**  
4 **the amount of any General Fund appropriation balances for that biennium that revert to the**  
5 **General Fund as provided by law.**

6 (d) **“Legislatively adopted budget” means the budget enacted by the Legislative Assembly**  
7 **during an odd-numbered year.**

8 (e) **“Legislatively approved budget” means the legislatively adopted budget as modified**  
9 **by the joint committee referred to in section 3, Article III of this Constitution, or by the**  
10 **Legislative Assembly meeting in a regular session held in an even-numbered year or in spe-**  
11 **cial session.**

12 **Sec. 14.** (1) As soon as is practicable after adjournment sine die of an odd-numbered year reg-  
13 ular session of the Legislative Assembly, the Governor shall cause an estimate to be prepared of  
14 revenues that will be received by the General Fund for the biennium beginning July 1. The esti-  
15 mated revenues from corporate income and excise taxes shall be separately stated from the esti-  
16 mated revenues from other General Fund sources.

17 (2) As soon as is practicable after the end of the biennium, the Governor shall cause actual  
18 collections of revenues received by the General Fund for that biennium to be determined. The re-  
19 venues received from corporate income and excise taxes shall be determined separately from the  
20 revenues received from other General Fund sources.

21 (3) If the revenues received by the General Fund from corporate income and excise taxes during  
22 the biennium exceed the amount estimated to be received from corporate income and excise taxes  
23 for the biennium, by two percent or more, the total amount of the excess shall be returned to cor-  
24 porate income and excise taxpayers.

25 (4) If the revenues received from General Fund revenue sources, exclusive of those described in  
26 subsection (3) of this section, during the biennium exceed the amount estimated to be received from  
27 such sources for the biennium, by two percent or more, the total amount of the excess shall be re-  
28 turned to personal income taxpayers.

29 (5) The Legislative Assembly may enact laws:

30 (a) Establishing a tax credit, refund payment or other mechanism by which the excess revenues  
31 are returned to taxpayers, and establishing administrative procedures connected therewith.

32 (b) Allowing the excess revenues to be reduced by administrative costs associated with return-  
33 ing the excess revenues.

34 (c) Permitting a taxpayer’s share of the excess revenues not to be returned to the taxpayer if  
35 the taxpayer’s share is less than a de minimis amount identified by the Legislative Assembly.

36 (d) Permitting a taxpayer’s share of excess revenues to be offset by any liability of the taxpayer  
37 for which the state is authorized to undertake collection efforts.

38 (6)(a) Prior to the close of a biennium for which an estimate described in subsection (1) of this  
39 section has been made, the Legislative Assembly, by a two-thirds majority vote of all members  
40 elected to each House, may enact legislation declaring an emergency and increasing the amount of  
41 the estimate prepared pursuant to subsection (1) of this section.

42 (b) The prohibition against declaring an emergency in an act regulating taxation or exemption  
43 in section 1a, Article IX of this Constitution, does not apply to legislation enacted pursuant to this  
44 subsection.

45 (7) This section does not apply:

1 (a) If, for a biennium or any portion of a biennium, a state tax is not imposed on or measured  
2 by the income of individuals.

3 (b) To revenues derived from any minimum tax imposed on corporations for the privilege of  
4 carrying on or doing business in this state that is imposed as a fixed amount and that is nonappor-  
5 tioned (except for changes of accounting periods).

6 (c) *[To biennia beginning before July 1, 2001.]* **To a biennium or any portion of a biennium**  
7 **during which:**

8 **(A) The reserve fund designated by law pursuant to section 15 of this Article contains**  
9 **an amount that is less than 25 percent of the amount of General Fund revenues collected**  
10 **during the preceding biennium; and**

11 **(B) All outstanding state bond debt and other outstanding state debt authorized to be**  
12 **incurred by law is not paid from moneys described in section 15 (7) of this Article or from**  
13 **any other source.**

14 **SECTION 15a. (1) Section 15 of this Article first applies to biennia beginning on or after**  
15 **July 1, 2013.**

16 **(2) This section is repealed January 1, 2015.**

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18 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**  
19 **people for their approval or rejection at the next regular general election held throughout**  
20 **this state.**

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