

A-Engrossed
Senate Bill 553

Ordered by the Senate May 27
Including Senate Amendments dated May 27

Sponsored by Senator EDWARDS, Representative READ; Representative MATTHEWS (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.

Requires interest on moneys in General Fund to be deposited into Oregon Rainy Day Fund. Directs Legislative Assembly to provide that interest on moneys in General Fund **that otherwise accrue to Oregon Rainy Day Fund shall instead** accrue to General Fund if conditions allowing appropriation of Oregon Rainy Day Fund are satisfied.

Modifies amount transferred to Oregon Rainy Day Fund each biennium to one percent of amount of General Fund appropriations for that biennium, less amount of interest deposited **in Oregon Rainy Day Fund** during biennium.

A BILL FOR AN ACT

1
2 Relating to the Oregon Rainy Day Fund; creating new provisions; and amending ORS 240.131,
3 293.140, 293.144, 293.146, 293.148, 293.293, 351.506 and 541.576.

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

5 **SECTION 1.** ORS 293.140 is amended to read:

6 293.140. (1) Except as otherwise provided by law, all interest received on deposits of state funds
7 shall accrue to and become a part of the [*General Fund*] **Oregon Rainy Day Fund established by**
8 **ORS 293.144.**

9 **(2) If the Legislative Assembly finds that one or more of the conditions described in ORS**
10 **293.144 (2) have been satisfied, the Legislative Assembly by law shall provide that interest**
11 **received on deposits of state funds that would otherwise accrue to and become a part of the**
12 **Oregon Rainy Day Fund under subsection (1) of this section shall instead accrue to and be-**
13 **come a part of the General Fund.**

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

15 293.144. (1) The Oregon Rainy Day Fund is established as an account in the General Fund.

16 (2) The Legislative Assembly may appropriate moneys from the Oregon Rainy Day Fund only if
17 the appropriation is approved by three-fifths of the members serving in each house of the Legislative
18 Assembly and the Legislative Assembly finds one of the following:

19 (a) That the last quarterly economic and revenue forecast for a biennium indicates that moneys
20 available to the General Fund for the next biennium will be at least three percent less than appro-
21 priations from the General Fund for the current biennium;

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

24 (c) That a quarterly economic and revenue forecast projects that revenues in the General Fund
25 in the current biennium will be at least two percent below what the revenues were projected to be

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 in the revenue forecast on which the legislatively adopted budget for the current biennium was
2 based.

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

7 [(4)] (3) The Legislative Assembly may not appropriate for any one biennium more than two-
8 thirds of the amount that is in the Oregon Rainy Day Fund at the beginning of that biennium. If the
9 appropriation is for a biennium that has not yet begun, the Legislative Assembly may use as the
10 base the most recent estimate of the amount that will be in the Oregon Rainy Day Fund at the be-
11 ginning of the biennium for which the appropriation is made.

12 [(5)] (4) As used in this section, “legislatively adopted budget” has the meaning given that term
13 in ORS 291.002.

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

15 293.146. (1) As used in this section:

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

18 (b) “General Fund appropriations” means the amount of moneys appropriated from the General
19 Fund for a biennium in the legislatively approved budget for the biennium, minus the amount of any
20 General Fund appropriation balances for that biennium that revert to the General Fund under ORS
21 293.190.

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

23 (2) Except as provided in ORS 293.148, as soon as possible after the ending balance for a
24 biennium is determined, an amount equal to one percent of the amount of General Fund appropri-
25 ations for that biennium, **less the amount of interest deposited in the Oregon Rainy Day Fund**
26 **during the biennium under ORS 293.140**, shall be transferred to the Oregon Rainy Day Fund es-
27 tablished by ORS 293.144. If the ending balance does not equal or exceed one percent of the amount
28 of General Fund appropriations, **less the amount of interest deposited in the Oregon Rainy Day**
29 **Fund during the biennium under ORS 293.140**, an amount equal to the ending balance shall be
30 transferred to the Oregon Rainy Day Fund.

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

32 293.148. (1) If the moneys in the Oregon Rainy Day Fund established by ORS 293.144 just prior
33 to the time of a transfer scheduled under ORS [293.144 (3) or] 293.146 equal at least 7-1/2 percent
34 of the amount of General Fund revenues collected during the prior biennium, moneys that would
35 otherwise be transferred to the Oregon Rainy Day Fund **under ORS 293.146** shall be deposited in
36 the General Fund.

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

42 **SECTION 5.** ORS 351.506 is amended to read:

43 351.506. (1) The Oregon University System Fund is established in the State Treasury, separate
44 and distinct from the General Fund. Any interest or other investment income derived from moneys
45 in the Oregon University System Fund is credited to the fund. Except when otherwise specified by

1 a statute establishing an account, **the State Board of Higher Education shall transfer to the**
 2 **Oregon Rainy Day Fund established by ORS 293.144** the interest or other investment income
 3 credited to the Oregon University System Fund that was derived from tuition and fees, facility and
 4 administrative cost recoveries, sales and services revenues, housing fees, food service fees, parking
 5 fees and General Fund appropriations [*shall be transferred to the General Fund by the State Board*
 6 *of Higher Education*].

7 (2) Except for moneys otherwise designated by statute or federal law, all moneys received by the
 8 State Board of Higher Education or the Oregon University System shall be paid into the State
 9 Treasury and credited to the Oregon University System Fund. All moneys in the fund are contin-
 10 uously appropriated to the State Board of Higher Education for purposes authorized by law.

11 (3) The moneys in the Oregon University System Fund may be invested as provided in ORS
 12 293.701 to 293.820.

13 (4) The board may establish accounts and subaccounts within the Oregon University System
 14 Fund when the board determines that accounts or subaccounts are necessary or desirable. Except
 15 when otherwise specified by a statute establishing an account, the board may credit any interest
 16 or income derived from moneys in the fund to any account or subaccount within the fund.

17 (5) The board shall keep a record of all moneys deposited into the fund. The record shall indi-
 18 cate by separate cumulative accounts and subaccounts the sources from which the moneys are de-
 19 rived and the individual activity or program against which each withdrawal is charged.

20 **SECTION 6.** ORS 240.131 is amended to read:

21 240.131. The Employment Relations Board Administrative Account is established separate and
 22 distinct from the General Fund. The account consists of all moneys received by the Employment
 23 Relations Board, other than moneys appropriated to the board by the Legislative Assembly. All
 24 moneys in the account are continuously appropriated to the board for the payment of all expenses
 25 incurred by the board. [*Interest earned by the account shall be credited to the General Fund.*]

26 **SECTION 7.** ORS 293.293 is amended to read:

27 293.293. (1) Whenever a court is required to hold funds in trust for the benefit of any party, all
 28 such funds shall be deposited with the State Treasurer in an account separate and distinct from the
 29 General Fund. [*Interest on such funds shall be credited to the General Fund.*]

30 (2) Notwithstanding subsection (1) of this section, if the amount in trust is \$10,000 or more, upon
 31 motion of a party, the court may order that the amount deposited with the State Treasurer be placed
 32 in an interest bearing account and that the interest be credited or paid to a party or parties, as the
 33 court deems appropriate.

34 **SECTION 8.** ORS 541.576 is amended to read:

35 541.576. (1) The Water Conservation, Reuse and Storage Investment Fund is established in the
 36 State Treasury, separate and distinct from the General Fund. [*Interest earned by the Water Conser-*
 37 *vation, Reuse and Storage Investment Fund shall be credited to the General Fund.*] Moneys in the
 38 Water Conservation, Reuse and Storage Investment Fund are continuously appropriated to the Wa-
 39 ter Resources Department to award grants and to pay the cost of direct services provided under
 40 ORS 541.561.

41 (2) The Water Conservation, Reuse and Storage Investment Fund shall consist of:

42 (a) Moneys appropriated to the fund by the Legislative Assembly;

43 (b) Any moneys that may be transferred to the fund by the federal government, a state agency
 44 or a local government; and

45 (c) Grant repayments, if any.

1 **SECTION 9.** The amendments to ORS 293.140, 293.144, 293.146, 293.148 and 351.506 by
2 sections 1 to 5 of this 2011 Act first apply to the biennium beginning July 1, 2013.
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