

Senate Bill 753

Sponsored by COMMITTEE ON FINANCE AND REVENUE

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**.

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; and declaring an emer-
3 gency.

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 budgeting for a**
6 **biennium that begins on July 1 of the year of a regular legislative session held in an odd-**
7 **numbered year, the Legislative Assembly shall leave unappropriated an amount of General**
8 **Fund revenues estimated to be available for the biennium. The Legislative Assembly shall**
9 **use the estimate of General Fund revenues contained in the last quarterly economic and**
10 **revenue forecast presented prior to the end of the regular legislative session held in an**
11 **odd-numbered year. For purposes of this section, the quarterly economic and revenue fore-**
12 **cast is the forecast made for purposes of section 4 (6), Article XV of the Oregon Constitu-**
13 **tion.**

14 (2)(a) Subject to paragraph (b) of this subsection, if the Legislative Assembly determines
15 that the growth index is greater than the population and inflation index, the amount to be
16 left unappropriated under subsection (1) of this section will be a percentage of the General
17 Fund revenues estimated to be available for the biennium that is equal to the growth index
18 percentage minus the population and inflation index percentage.

19 (b) The amount to be left unappropriated under this section may not exceed three per-
20 cent of the General Fund revenues estimated to be available for the biennium.

21 (3) As soon as practicable after the Legislative Assembly determines the ending balance
22 of the General Fund for a biennium, if the amount of General Fund revenues collected during
23 the biennium equals or exceeds the amount of the estimate used to determine the amount
24 left unappropriated for that biennium under subsection (2) of this section, the amount that
25 was left unappropriated under subsection (2) of this section shall be transferred to the
26 Oregon Rainy Day Fund established by ORS 293.144.

27 (4) As used in this section:

28 (a) "Ending balance" means the difference between the amount of General Fund revenues

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 collected during a biennium and the amount of General Fund appropriations for the
2 biennium.

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

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

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

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

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

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

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

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

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

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

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

29 293.148. (1) If the moneys in the Oregon Rainy Day Fund established by ORS 293.144 just prior
30 to the time of a transfer scheduled under ORS 293.144 (3) or 293.146 **or section 1 of this 2011 Act**
31 equal at least [7-1/2] 12 percent of the amount of General Fund revenues collected during the prior
32 biennium, moneys that would otherwise be transferred to the Oregon Rainy Day Fund shall be de-
33 posited in the General Fund.

34 (2) If the moneys in the Oregon Rainy Day Fund just prior to the time of a transfer scheduled
35 under ORS 293.144 (3) or 293.146 **or section 1 of this 2011 Act** do not equal at least [7-1/2] 12
36 percent of the amount of General Fund revenues collected during the prior biennium, the transfer
37 to the Oregon Rainy Day Fund shall be made regardless of whether that transfer increases the
38 amount in the Oregon Rainy Day Fund to at least [7-1/2] 12 percent of the amount of General Fund
39 revenues collected during the prior biennium.

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

42 **SECTION 4.** This 2011 Act being necessary for the immediate preservation of the public
43 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect
44 on its passage.