

Senate Bill 968

Sponsored by Senators BURDICK, MORSE, HASS, THOMSEN, Representatives OLSON, READ; Senators NELSON, OLSEN

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 is greater than increase in personal income growth. Sets amount left unappropriated at percentage difference between increase in revenues available for biennium and personal income growth, with three percent maximum.

Specifies that if Legislative Assembly determines that percentage increase in available General Fund revenues is greater than amount of personal income growth plus amount left unappropriated, Legislative Assembly must leave one-half of excess unappropriated. Allows use of remaining excess for general governmental purposes.

Requires deposit of certain unappropriated amounts in Oregon Rainy Day Fund if General Fund revenues collected equal or exceed revenue estimate for biennium. Allows Legislative Assembly to deposit other unappropriated amounts in Oregon Rainy Day Fund, to appropriate amounts to reduce state bond debt or to pay for capital construction or other nonrecurring expenses.

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) or (3) 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.**

12 **(2)(a) Subject to paragraph (b) of this subsection, if the Legislative Assembly determines**
13 **that the growth index is greater than the personal income growth index, the amount to be**
14 **left unappropriated under subsection (1) of this section shall be a percentage of the General**
15 **Fund revenues estimated to be available for the biennium that is equal to the growth index**
16 **percentage minus the personal income growth index percentage.**

17 **(b) The amount to be left unappropriated under this subsection may not exceed three**
18 **percent of the General Fund revenues appropriated for the preceding biennium.**

19 **(3) If the Legislative Assembly determines that the growth index is greater than the**
20 **personal income growth index plus the percentage amount left unappropriated under sub-**
21 **section (2) of this section, the Legislative Assembly shall leave unappropriated a percentage**
22 **of General Fund revenues estimated to be available for the biennium that is equal to one-half**
23 **of the amount by which the growth index exceeds the personal income growth index plus the**
24 **percentage amount left unappropriated under subsection (2) of this section. The Legislative**

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 Assembly may appropriate the remaining one-half of the amount for general governmental
2 purposes.

3 (4) As soon as practicable after the Legislative Assembly determines the ending balance
4 of the General Fund for a biennium, if the amount of General Fund revenues collected during
5 the biennium equals or exceeds the amount of the estimate used to determine any amounts
6 left unappropriated for that biennium under subsection (2) or (3) of this section:

7 (a) Any amounts left unappropriated under subsection (2) of this section shall be trans-
8 ferred to the Oregon Rainy Day Fund established in ORS 293.144; and

9 (b) Any amounts left unappropriated under subsection (3) of this section may be:

10 (A) Transferred to the Oregon Rainy Day Fund;

11 (B) Appropriated by the Legislative Assembly to pay or extinguish state bond debt or
12 other state debt authorized by law to be incurred;

13 (C) Appropriated by the Legislative Assembly to be used for capital construction projects;
14 or

15 (D) Appropriated by the Legislative Assembly to be used for other nonrecurring expenses
16 of the state.

17 (5) As used in this section:

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

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

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

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

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

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

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

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

37 (g) "Personal income growth index" means the percentage change in statewide personal
38 income in the two calendar years preceding the beginning of a biennium.

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

40 293.148. (1) If the moneys in the Oregon Rainy Day Fund established by ORS 293.144 just prior
41 to the time of a transfer scheduled under ORS 293.144 (3) or 293.146 or a transfer made under
42 section 1 of this 2011 Act equal at least $[7-1/2]$ 14 percent of the amount of General Fund revenues
43 collected during the prior biennium, moneys that would otherwise be transferred to the Oregon
44 Rainy Day Fund shall be deposited in the General Fund.

45 (2) If the moneys in the Oregon Rainy Day Fund just prior to the time of a transfer scheduled

1 under ORS 293.144 (3) or 293.146 **or a transfer made under section 1 of this 2011 Act** do not
2 equal at least [7-1/2] **14** percent of the amount of General Fund revenues collected during the prior
3 biennium, the transfer to the Oregon Rainy Day Fund shall be made regardless of whether that
4 transfer increases the amount in the Oregon Rainy Day Fund to at least [7-1/2] **14** percent of the
5 amount of General Fund revenues collected during the prior biennium.

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

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

11
