

Senate Joint Resolution 10

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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 create Oregon Rainy Day Fund. Sets conditions for appropriation of moneys in fund. Transfers surplus corporate income or excise tax revenues to fund. Transfers surplus personal income tax revenues that do not exceed six percent of revenue estimate to fund. Transfers surplus personal income tax revenues exceeding six percent of revenue estimate to taxpayers.

Provides that if moneys in Oregon Rainy Day Fund equal at least 12 percent of General Fund revenues collected during prior biennium, interest on fund is transferred to General Fund, surplus corporate income or excise tax revenues are applied to retire state general obligation bond debt and surplus personal income tax revenues are returned to taxpayers.

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 14a and 15 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 Oregon Rainy Day Fund is established as an account in the General Fund.

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

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

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

(c) That a quarterly economic and revenue forecast projects that revenues in the General Fund in the current biennium will be at least two percent below what the revenues were projected to be in the revenue forecast on which the legislatively adopted budget for the current biennium was based.

(3) Once each month, in the manner provided by law, the State Treasurer shall calculate the amount of General Fund interest that is attributable to moneys in the Oregon Rainy Day Fund. Except as provided in subsection (5) of this section, the State Treasurer shall transfer the amount calculated under this subsection to the Oregon Rainy Day Fund.

(4) The Legislative Assembly may not appropriate for any one biennium more than two-thirds of the amount that is in the Oregon Rainy Day Fund at the beginning of that

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 **biennium. If the appropriation is for a biennium that has not yet begun, the Legislative As-**
2 **sembly may use as the base the most recent estimate of the amount that will be in the**
3 **Oregon Rainy Day Fund at the beginning of the biennium for which the appropriation is**
4 **made.**

5 (5) **If the moneys in the Oregon Rainy Day Fund just prior to the time of a transfer**
6 **scheduled under subsection (3) of this section or section 14 of this Article equal at least 12**
7 **percent of the amount of General Fund revenues collected during the prior biennium:**

8 (a) **Moneys that would otherwise be transferred to the Oregon Rainy Day Fund under**
9 **subsection (3) of this section shall be deposited in the General Fund.**

10 (b) **If the revenues received by the General Fund from corporate income and excise taxes**
11 **during the biennium exceed the amount estimated to be received from corporate income and**
12 **excise taxes for the biennium by two percent or more, the total amount of the excess shall**
13 **be applied toward retirement of state general obligation bond debt.**

14 (c) **If the revenues received from General Fund revenue sources, exclusive of those de-**
15 **scribed in subsection (3) of section 14 of this Article, during the biennium exceed the amount**
16 **estimated to be received from such sources for the biennium, the total amount of the excess**
17 **shall be returned to personal income taxpayers.**

18 (6) **If the moneys in the Oregon Rainy Day Fund just prior to the time of a transfer**
19 **scheduled under subsection (3) of this section or section 14 of this Article do not equal at**
20 **least 12 percent of the amount of General Fund revenues collected during the prior biennium,**
21 **the transfer to the Oregon Rainy Day Fund shall be made regardless of whether that trans-**
22 **fer increases the amount in the Oregon Rainy Day Fund to at least 12 percent of the amount**
23 **of General Fund revenues collected during the prior biennium.**

24 (7) **As used in this section, “legislatively adopted budget” means the budget enacted by**
25 **the Legislative Assembly during a regular session.**

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

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

35 (3) **If the revenues received by the General Fund from corporate income and excise taxes during**
36 **the biennium exceed the amount estimated to be received from corporate income and excise taxes**
37 **for the biennium, by two percent or more, the total amount of the excess shall be [returned to cor-**
38 **porate income and excise taxpayers] transferred to the Oregon Rainy Day Fund or applied to-**
39 **ward retirement of state general obligation bond debt as provided in section 15 of this**
40 **Article.**

41 (4) **Subject to section 15 of this Article:**

42 (a) **If the revenues received from General Fund revenue sources, exclusive of those de-**
43 **scribed in subsection (3) of this section, during the biennium exceed the amount estimated**
44 **to be received from such sources for the biennium, to the extent that the excess does not**
45 **exceed six percent of the estimate, the excess shall be transferred to the Oregon Rainy Day**

1 **Fund established by section 15 of this Article.**

2 (b) If the revenues received from General Fund revenue sources, exclusive of those described
3 in subsection (3) of this section, during the biennium exceed the amount estimated to be received
4 from such sources for the biennium, by [*two percent or*] more **than six percent**, the total amount
5 of the excess **above six percent** shall be returned to personal income taxpayers.

6 (5) The Legislative Assembly may enact laws:

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

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

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

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

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

19 (b) The prohibition against declaring an emergency in an act regulating taxation or exemption
20 in section 1a[, *Article IX of this Constitution*] **of this Article**, does not apply to legislation enacted
21 pursuant to this subsection.

22 (7) This section does not apply:

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

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

28 (c) To biennia beginning before July 1, 2001.

29 **SECTION 14a. (1) Section 15 of this Article and the amendment to section 14 of this Ar-**
30 **article by Senate Joint Resolution 10 (2011) apply to biennia beginning on or after July 1, 2011.**

31 **(2) This section is repealed on June 30, 2015.**

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