

Senate Joint Resolution 27

Sponsored by Senator ATKINSON

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 establish five-year moratorium on general obligation borrowing and specified forms of revenue-based borrowing. Permits refunding to reduce borrowing costs under outstanding general obligations and other specified outstanding revenue-based obligations.

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 a new Article to be known as Article XI-R, such Article to read:

SECTION 1. (1) During the five-year period beginning on the effective date of this section, the State of Oregon may not:

(a) Lend its credit or incur indebtedness or liability in any manner except as provided in subsection (3) of this section.

(b) Issue general obligation bonds under authority of Articles XI-A to XI-Q of this Constitution except as provided in subsection (3) of this section.

(2) During the five-year period beginning on the effective date of this section:

(a) The State of Oregon may not issue certificates of participation or other similar financing agreements except as provided in subsection (3) of this section.

(b) The Legislative Assembly may not authorize and neither the State Treasurer nor any department of state government may issue certificates of participation or other similar financing agreements except as provided in subsection (3) of this section.

(3) During the five-year period beginning on the effective date of this section:

(a) The State of Oregon may lend its credit and incur indebtedness or liability as authorized in section 7, Article XI of this Constitution.

(b) The State Treasurer may issue refunding bonds under the authority of Articles XI-A to XI-Q of this Constitution for the purpose of reducing the costs of borrowing under outstanding general obligation bonds issued under the authority of Articles XI-A to XI-Q of this Constitution.

(c) The State Treasurer may approve and a department of state government may enter into certificates of participation or similar financing agreements under law for the purpose of reducing the costs of borrowing under outstanding certificates of participation or similar financing agreements issued under law.

(d) Except as explicitly prohibited by subsection (2) of this section, the State Treasurer may issue lottery bonds, conduit bonds or other revenue bonds, including refunding bonds,

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 **for which:**

2 **(A) The full faith and credit or the taxing power of the State of Oregon is not pledged.**

3 **(B) There is an explicit stream of revenue dedicated to repayment.**

4 **(4) This section supersedes any conflicting provision of this Constitution.**

5 **(5) This section is repealed June 30, 2017.**

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

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