

Senate Joint Resolution 6

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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 establish reserve fund composed of excess tax revenues collected. Requires three-fifths majority vote of Legislative Assembly to appropriate or transfer moneys from fund.

Refers proposed amendment to people for their approval or rejection at special election held on same date as next primary 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 section 14a to be added to and made a part of Article IX, and by amending section 14, Article IX, such sections to read:

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

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

(3) If the revenues received by the General Fund from corporate income and excise taxes during the biennium exceed the amount estimated to be received from corporate income and excise taxes for the biennium, [*by two percent or more, the total amount of the excess shall be returned to corporate income and excise taxpayers*] **the amount of revenues received that exceeds by one percent or more the amount estimated to be received shall be deposited in a reserve fund.**

(4) If the revenues received from General Fund revenue sources, exclusive of those described in subsection (3) of this section, during the biennium exceed the amount estimated to be received from such sources for the biennium, [*by two percent or more, the total amount of the excess shall be returned to personal income taxpayers.*] **the amount of revenues received that exceeds by one percent or more the amount estimated to be received shall be deposited in the reserve fund.**

(5) Moneys in the reserve fund shall be invested as provided by law and are not subject to limitation under section 6, Article XI of this Constitution.

(6)(a) If the amount of the reserve fund exceeds 12 percent of the amount of revenues received by the General Fund from all sources in the immediately prior biennium, the total

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 amount of the excess shall be returned to corporate income and excise taxpayers and to
 2 personal income taxpayers in proportion to the amounts contributed to the reserve fund for
 3 the previous biennium under subsections (3) and (4) of this section.

4 (b)(A) Notwithstanding paragraph (a) of this subsection, the Legislative Assembly, by a
 5 two-thirds majority vote of all members elected to each house, may enact legislation to
 6 prevent a return of all or a portion of excess revenues to taxpayers.

7 (B) The prohibition against declaring an emergency in an act regulating taxation or ex-
 8 emption in section 1a, Article IX of this Constitution, does not apply to legislation enacted
 9 pursuant to this paragraph.

10 [(5)] (7) The Legislative Assembly may enact laws:

11 (a) Establishing a tax credit **and associated reimbursement of the General Fund**, a refund
 12 payment or **any** other mechanism by which the excess [*revenues are*] **amount of the reserve fund**
 13 **is** returned to taxpayers, and establishing administrative procedures connected therewith.

14 (b) Allowing the excess [*revenues*] **amount of the reserve fund** to be reduced by administrative
 15 costs associated with returning the excess [*revenues*] **amount**.

16 (c) Permitting a taxpayer's share of the excess [*revenues*] **amount of the reserve fund** not to
 17 be returned to the taxpayer if the taxpayer's share is less than a de minimis amount identified by
 18 the Legislative Assembly.

19 (d) Permitting a taxpayer's share of **the** excess [*revenues*] **amount of the reserve fund** to be
 20 offset by any liability of the taxpayer for which the state is authorized to undertake collection ef-
 21 forts.

22 [(6)(a)] (8)(a) Prior to the close of a biennium for which an estimate described in subsection (1)
 23 of this section has been made, the Legislative Assembly, by a two-thirds majority vote of all mem-
 24 bers elected to each [*House*] **house**, may enact legislation declaring an emergency and increasing
 25 the amount of the estimate prepared pursuant to subsection (1) of this section.

26 (b) The prohibition against declaring an emergency in an act regulating taxation or exemption
 27 in section 1a, Article IX of this Constitution, does not apply to legislation enacted pursuant to this
 28 subsection.

29 (9) **The Legislative Assembly may enact legislation to appropriate or transfer any portion**
 30 **of the reserve fund for general government expenditures if:**

31 (a) **The proposed appropriation or transfer is approved by a three-fifths majority vote of**
 32 **all members elected to each house of the Legislative Assembly and the Legislative Assembly**
 33 **finds one of the following:**

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

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

39 (C) **That a quarterly economic and revenue forecast projects that revenues in the state's**
 40 **General Fund in the current biennium will be at least two percent below what the revenues**
 41 **were projected to be in the revenue forecast on which the legislatively adopted budget for**
 42 **the current biennium was based; or**

43 (b) **The proposed appropriation or transfer is approved by a three-fifths majority vote of**
 44 **all members elected to each house of the Legislative Assembly and the Governor declares**
 45 **an emergency.**

1 [(7)] (10) This section does not apply:

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

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

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

8 **SECTION 14a. (1) The amendment to section 14 of this Article by Senate Joint Resolution**
9 **6 (2011) applies to biennia beginning on or after July 1, 2011.**

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

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12 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**
13 **people for their approval or rejection at a special election held throughout this state on the**
14 **same date as the next primary election.**

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