

House Bill 2462

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on 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**.

Prohibits Governor and Oregon Department of Administrative Services from reducing allotments to Department of Revenue when Oregon Department of Administrative Services declares projected deficit in biennium.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to allotment reductions; amending ORS 291.261; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 291.261 is amended to read:

291.261. (1) Notwithstanding the legislative policy and intent declared in ORS 291.232, if the Oregon Department of Administrative Services declares at any time during a biennium that there is a projected deficit in that biennium, the department may, with the approval of the Governor and in order to prevent the deficit, reduce the amount allotted to state agencies under ORS 291.234 to 291.260 from the General Fund in the manner provided in subsection (2) of this section.

(2)(a) In reducing allotments under this section, the department and the Governor shall follow legislative funding priorities as expressed in statutes and in the legislatively adopted or approved budget for the biennium. Unless statutes or the legislatively adopted or approved budget indicate otherwise, the department and the Governor shall assume that all General Fund appropriations have the same priority and shall reduce allotments of General Fund moneys for each state agency receiving General Fund moneys by the same percentage.

(b) The department and the Governor may not reduce allotments under this section by a total amount that exceeds the amount necessary to bring the total estimated General Fund ending balance to zero.

(3) For purposes of this section, the department may declare that there is a projected deficit if a quarterly estimate made as provided in ORS 291.342 indicates that the projected balance in the General Fund at the end of the biennium will be less than zero.

(4) Subsections (1) to (3) of this section do not apply to **the following**:

(a) An allotment, or a portion of an allotment, that is designated by a state agency for the payment of debt service. After an allotment that is designated by a state agency for the payment of debt service is made, the department and the Governor may not reduce the allotment or a portion of the allotment below the amount needed for the payment of debt service in the biennium.

(b) **Allotments made to the Department of Revenue.**

(5) As used in this section:

(a) "Agreement for exchange of interest rates" has the meaning given that term in ORS 286A.001.

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 (b) "Bond" has the meaning given that term in ORS 286A.001.

2 (c) "Credit enhancement device" has the meaning given that term in ORS 286A.001.

3 (d) "Payment of debt service" means:

4 (A) The payment of principal, interest or other amounts owed under a bond;

5 (B) The transfer, segregation or other disposition of moneys to comply with bond payment
6 amounts or required reserve amounts; or

7 (C) The payment of amounts owed under an agreement for exchange of interest rates, a credit
8 enhancement device or a similar instrument.

9 **SECTION 2. This 2013 Act being necessary for the immediate preservation of the public**
10 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
11 **on its passage.**

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