

Senate Joint Resolution 13

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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 require deposit of excess revenues in Emergency Reserve Fund. Defines excess revenues as percentage amount of General Fund revenues available for biennium equal to percentage difference between General Fund revenues available for biennium and General Fund appropriations for preceding biennium minus average two-year percentage change in statewide personal income in six calendar years preceding biennium.

Establishes Emergency Reserve Fund. Authorizes Legislative Assembly, upon making certain findings and with three-fifths majority vote, to appropriate moneys in fund. Limits appropriations that may be made from fund during any one biennium. Specifies that, if amount in Emergency Reserve Fund equals at least 14 percent of General Fund revenues in prior biennium, amount that would be transferred to Emergency Reserve Fund shall be returned to taxpayers.

Applies to biennia beginning on or after July 1, 2015.

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 repealing section 14, Article IX, by amending section 4, Article X-A, and by creating new sections 16, 17 and 17a to be added to and made a part of Article IX, such sections to read:

SECTION 16. (1) As soon as practicable after the Legislative Assembly determines the ending balance of the General Fund for a biennium, if the growth index is greater than the personal income growth index, any amount of excess revenues for the biennium shall be transferred to the Emergency Reserve Fund established by section 17 of this Article.

(2) As used in this section:

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

(b) "Excess revenues" means a percentage amount of General Fund revenues available for the biennium that is equal to the growth index percentage minus the personal income growth index percentage.

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

(d) "General Fund revenues available for the biennium" means the amount of General Fund revenues collected during the biennium minus the amount of revenues contained in the General Fund at the beginning of the biennium.

(e) "Growth index" means the percentage difference between the General Fund revenues

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 available for the biennium and the General Fund appropriations for the preceding biennium
2 in the legislatively approved budget.

3 (f) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly
4 during an odd-numbered year regular session.

5 (g) "Legislatively approved budget" means the legislatively adopted budget as modified
6 by the joint committee referred to in section 3, Article III of this Constitution, or by the
7 Legislative Assembly meeting in regular or special session.

8 (h) "Personal income growth index" means the average two-year percentage change in
9 statewide personal income in the six calendar years preceding the beginning of a biennium.

10 SECTION 17. (1) The Emergency Reserve Fund is established as an account in the Gen-
11 eral Fund. The Legislative Assembly may establish subaccounts within the Emergency Re-
12 serve Fund.

13 (2) The Legislative Assembly may appropriate moneys from the Emergency Reserve Fund
14 for general governmental purposes if:

15 (a) The appropriation is approved by three-fifths of the members serving in each house
16 of the Legislative Assembly and the Legislative Assembly finds one of the following:

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

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

22 (C) That a quarterly economic and revenue forecast projects that revenues in the Gen-
23 eral Fund in the current biennium will be at least two percent below what the revenues were
24 projected to be in the revenue forecast on which the legislatively adopted budget for the
25 current biennium was based; or

26 (b) The appropriation is approved by three-fifths of the members serving in each house
27 of the Legislative Assembly and the Governor declares an emergency.

28 (3) Once each month, in the manner provided by law, a state agency designated by law
29 shall calculate the amount of General Fund interest that is attributable to moneys in the
30 Emergency Reserve Fund. The amount calculated under this subsection shall be transferred
31 to the Emergency Reserve Fund. The Legislative Assembly by law may attribute interest on
32 moneys in a subaccount in the Emergency Reserve Fund to the subaccount.

33 (4) The Legislative Assembly may not appropriate for any one fiscal year more than
34 two-thirds of the amount that is in the Emergency Reserve Fund at the beginning of that
35 fiscal year. If the appropriation is for a fiscal year that has not yet begun, the Legislative
36 Assembly may use as the base the most recent estimate of the amount that will be in the
37 Emergency Reserve Fund at the beginning of the fiscal year for which the appropriation is
38 made.

39 (5) If the moneys in the Emergency Reserve Fund just prior to the time of a transfer to
40 the Emergency Reserve Fund scheduled under section 16 of this Article equal at least 14
41 percent of the amount of General Fund revenues collected during the prior biennium, moneys
42 that would otherwise be transferred to the Emergency Reserve Fund shall be returned to
43 taxpayers in the manner provided by law.

44 (6) If the moneys in the Emergency Reserve Fund just prior to the time of a transfer to
45 the Emergency Reserve Fund scheduled under section 16 of this Article do not equal at least

1 **14 percent of the amount of General Fund revenues collected during the prior biennium, the**
 2 **transfer to the Emergency Reserve Fund shall be made regardless of whether that transfer**
 3 **increases the amount in the Emergency Reserve Fund to at least 14 percent of the amount**
 4 **of General Fund revenues collected during the prior biennium.**

5 **(7) As used in this section, “legislatively adopted budget” means the budget enacted by**
 6 **the Legislative Assembly during an odd-numbered year regular session.**

7 **SECTION 17a. (1) Sections 16 and 17 of this Article and the amendment to section 4,**
 8 **Article X-A of this Constitution, by Senate Joint Resolution 13 (2013) apply to biennia begin-**
 9 **ning on or after July 1, 2015.**

10 **(2) The repeal of section 14 of this Article by Senate Joint Resolution 13 (2013) applies**
 11 **to tax years beginning on or after January 1, 2015.**

12 **(3) This section is repealed on June 30, 2019.**

13 **Sec. 4. (1) If the Governor declares that a catastrophic disaster has occurred:**

14 (a) The Legislative Assembly may enact laws authorizing the use of revenue described in section
 15 3a, Article IX of this Constitution, for purposes other than those described in that section.

16 (b) The Legislative Assembly may, by a vote of the number of members of each house that con-
 17 stitutes a quorum under subsection (2) of section 3 of this Article, appropriate moneys that would
 18 otherwise be returned to taxpayers under section [14] 17, Article IX of this Constitution, to state
 19 agencies for the purpose of responding to the catastrophic disaster.

20 (c) Notwithstanding section 7, Article XI of this Constitution, the Legislative Assembly may lend
 21 the credit of the state or create debts or liabilities in an amount the Legislative Assembly considers
 22 necessary to provide an adequate response to the catastrophic disaster.

23 (d) The provisions of section 15, Article XI of this Constitution, do not apply to any law that is
 24 approved by three-fifths of the members of each house who are able to attend a session described
 25 in subsection (3) of section 3 of this Article.

26 (e) The Legislative Assembly may take action described in subsection (6) of section 15, Article
 27 XI of this Constitution, upon approval by three-fifths of the members of each house who are able to
 28 attend a session described in subsection (3) of section 3 of this Article.

29 (f) Notwithstanding section 4, Article XV of this Constitution, the Legislative Assembly may
 30 allocate proceeds from the State Lottery for any purpose and in any ratio the Legislative Assembly
 31 determines necessary to provide an adequate response to the catastrophic disaster.

32 (2) Nothing in this section overrides or otherwise affects the provisions of section 15b, Article
 33 V of this Constitution.

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