

Senate Bill 866

Sponsored by Senator GIROD

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**.

Limits state governmental appropriations for general governmental purposes in biennium to lesser of percentage increase in projected personal income, percentage increase in projected population growth plus inflation or percentage increase in projected gross domestic product of Oregon for biennium.

Declares emergency, effective July 1, 2015.

A BILL FOR AN ACT

1
2 Relating to state finance; creating new provisions; amending ORS 291.357; and declaring an emer-
3 gency.

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

5 **SECTION 1.** ORS 291.357 is amended to read:

6 291.357. (1) As used in this section[,]:

7 (a) "General governmental purposes" means:

8 [(a)] (A) Those activities defined as governmental activities under the accounting standards
9 promulgated by the Governmental Accounting Standards Board of the Financial Accounting Foun-
10 dation that are in effect on August 10, 2001; and

11 [(b)] (B) Post-secondary educational activities that are partially funded by student tuition and
12 fees.

13 (b) "Gross domestic product" means the total value of the goods and services produced
14 in this state, not including the value of income earned in foreign countries.

15 (c) "Population and inflation index" means the sum of:

16 (A) The ratio of the cost of living for the previous calendar year to the cost of living for
17 two years prior to the previous calendar year, based on changes in the U.S. City Average
18 Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of
19 Labor Statistics of the United States Department of Labor; and

20 (B) The ratio of the estimated population of this state for the previous calendar year to
21 the estimated population of this state for two years prior to the previous calendar year, as
22 determined by the Oregon Department of Administrative Services.

23 (2) Each biennium, state governmental appropriations for general governmental purposes shall
24 be no greater than [*eight percent of*] the lesser of:

25 (a) The percentage increase in projected personal income in Oregon for the same biennium;

26 (b) The percentage increase in the projected population and inflation index in Oregon for
27 the same biennium; or

28 (c) The percentage increase in the projected gross domestic product of Oregon for the
29 same biennium.

30 (3)(a) Projected personal income shall be based on the United States Department of Commerce

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 projections used by the Oregon Department of Administrative Services in the last forecast given to
 2 the Legislative Assembly before adjournment sine die of the odd-numbered year regular session on
 3 which the printed, adopted budget is based.

4 **(b) The Oregon Department of Administrative Services shall adopt rules specifying a**
 5 **methodology for determining the population and inflation index and the gross domestic**
 6 **product of Oregon for purposes of this section.**

7 [(3)] (4) For purposes of this section, the following are considered to be appropriations:

8 (a) An authorization, given by law, to expend moneys in a biennium;

9 (b) A limitation, imposed by law, on the expenditure in a biennium of moneys that are contin-
 10 uously appropriated; and

11 (c) An estimate of amounts of moneys that are continuously appropriated that will be spent in
 12 a biennium without limitation.

13 [(4)] (5) The following appropriations are not subject to the limitation on appropriations con-
 14 tained in this section:

15 (a) Appropriations for the construction or acquisition of assets that are financed by state bonds,
 16 certificates of participation or other forms of borrowing.

17 (b) Appropriations of moneys received directly or indirectly from the federal government.

18 (c) Appropriations for fee remission programs of public universities listed in ORS 352.002.

19 (d) Appropriations of moneys voluntarily donated to a state agency.

20 (e) Appropriations of moneys from revenue increases or new revenue sources if the increases
 21 or sources result from approval of a measure by the people at an election held on or after August
 22 10, 2001.

23 (f) Appropriations to fund new programs or to increase funding for existing programs if the need
 24 for new or increased funding results from approval of a measure by the people at an election held
 25 on or after August 10, 2001.

26 [(5)] (6) The limitation on appropriations established by this section may be exceeded for a
 27 biennium if the Governor declares an emergency and three-fifths of the members serving in each
 28 house of the Legislative Assembly affirmatively vote to exceed the limitation for the biennium.

29 **SECTION 2. The amendments to ORS 291.357 by section 1 of this 2015 Act apply to**
 30 **biennia beginning on or after July 1, 2017.**

31 **SECTION 3. This 2015 Act being necessary for the immediate preservation of the public**
 32 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
 33 **July 1, 2015.**