

House Bill 3469

Sponsored by Representative HELM

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**.

Increases amount of estimate of revenues that will be received from personal income taxes for biennium beginning July 1, 2021. Requires distribution of difference between amount actually collected and amount estimated after close of 2023 regular session to Oregon Drought Reserve Fund. Establishes Oregon Drought Reserve Fund. Provides for return to taxpayers of surplus revenue over adjusted estimate amount if constitutional threshold exceeded.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to revenue estimates; declaring an emergency; and providing for revenue estimate modifi-
3 cation that requires approval by a two-thirds majority.

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

5 **SECTION 1. Pursuant to Article IX, section 14 (6)(a), of the Oregon Constitution, the**
6 **Legislative Assembly increases the amount of the estimate of revenues that will be received**
7 **from personal income taxes for the biennium beginning July 1, 2021, to \$22.4 billion.**

8 **SECTION 2. (1) Except as provided in subsection (2) of this section, any positive differ-**
9 **ence between the actual amount of revenues collected from personal income taxpayers for**
10 **the biennium beginning July 1, 2021, and the estimate made for that biennium pursuant to**
11 **Article IX, section 14 (1), of the Oregon Constitution, shall be transferred to the Oregon**
12 **Drought Reserve Fund established under section 3 of this 2023 Act.**

13 **(2) If the actual amount of revenues collected from personal income taxpayers for the**
14 **biennium beginning July 1, 2021, exceeds the amount of the estimate made in section 1 of this**
15 **2023 Act by two percent or more:**

16 **(a) The difference between the actual amount of revenues and the estimate made in**
17 **section 1 of this 2023 Act shall be returned to personal income taxpayers in the manner**
18 **provided in ORS 291.349; and**

19 **(b) The difference between the estimate of revenues made in section 1 of this 2023 Act**
20 **and the estimate made for the biennium beginning July 1, 2021, pursuant to Article IX, sec-**
21 **tion 14 (1), of the Oregon Constitution, shall be transferred to the Oregon Drought Reserve**
22 **Fund established under section 3 of this 2023 Act.**

23 **SECTION 3. (1) The Oregon Drought Reserve Fund is established in the State Treasury,**
24 **separate and distinct from the General Fund. Interest earned by the Oregon Drought Re-**
25 **serve Fund shall be credited to the fund. All moneys in the fund are to be used only for the**
26 **purpose of funding drought preparedness, assessment, planning, coordination, response and**
27 **resiliency, and may be used only if the Governor has declared, after consultation with the**
28 **Oregon Climate Change Research Institute established in ORS 352.823, that an area within**
29 **the state is experiencing a period of long-term water scarcity.**

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 (2) Purposes for which the moneys in the fund may be used, after a declaration as de-
2 scribed in subsection (1) of this section, include the provision of:

3 (a) Support for cities, counties, tribes, special districts and agencies to improve drought
4 preparedness, assessment, planning, coordination, response and resiliency;

5 (b) Relief for farmers, ranchers, workers, land managers, irrigation districts and others
6 experiencing drought-related impacts;

7 (c) Investments in infrastructure and projects that promote water conservation and ef-
8 ficiency;

9 (d) Support for community and domestic water systems to ensure access to safe drinking
10 water;

11 (e) Incentives for voluntary land management or stewardship practices that promote
12 drought resiliency;

13 (f) Investments in drought resiliency and protection of natural resources, wildlife and
14 in-stream priorities, such as addressing fish barriers, restoring streamflow and improving
15 river temperatures; and

16 (g) Investments in drought-related outreach, education, research, monitoring, data and
17 equipment.

18 (3) Moneys in the fund shall consist of:

19 (a) Moneys transferred to the fund under section 2 of this 2023 Act;

20 (b) Income earned on moneys in the fund;

21 (c) Moneys transferred to the fund from federal, state or local governments; and

22 (d) Any moneys or other assets transferred, deposited or otherwise credited to the fund
23 from any source.

24 (4) When moneys in the fund exceed \$300 million, the excess funds shall be deposited in
25 the General Fund of the State Treasury.

26 (5) For each calendar year, the threshold in subsection (4) of this section shall be ad-
27 justed for inflation. The computation shall be as follows:

28 (a) Divide the monthly averaged U.S. City Average Consumer Price Index for the 12
29 consecutive months ending August 31 of the prior calendar year by the monthly averaged
30 index for the first six months of 2022.

31 (b) Recompute the threshold by multiplying \$300 million by the appropriate indexing fac-
32 tor determined as provided in paragraph (a) of this subsection. Round the amount obtained
33 under this paragraph to the nearest \$1.

34 (6) As used in this section, "U.S. City Average Consumer Price Index" means the U.S.
35 City Average Consumer Price Index for All Urban Consumers (All Items) as published by the
36 Bureau of Labor Statistics of the United States Department of Labor.

37 SECTION 4. This 2023 Act being necessary for the immediate preservation of the public
38 peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect
39 on its passage.

40