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
Relating to revenue estimates; declaring an emergency; and providing for revenue estimate modification that requires approval by a two-thirds majority.

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

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

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

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

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

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

SECTION 3. (1) The Oregon Drought Reserve Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Drought Reserve Fund shall be credited to the fund. All moneys in the fund are to be used only for the purpose of funding drought preparedness, assessment, planning, coordination, response and resiliency, and may be used only if the Governor has declared, after consultation with the Oregon Climate Change Research Institute established in ORS 352.823, that an area within 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.

LC 3792
(2) Purposes for which the moneys in the fund may be used, after a declaration as described in subsection (1) of this section, include the provision of:

(a) Support for cities, counties, tribes, special districts and agencies to improve drought preparedness, assessment, planning, coordination, response and resiliency;
(b) Relief for farmers, ranchers, workers, land managers, irrigation districts and others experiencing drought-related impacts;
(c) Investments in infrastructure and projects that promote water conservation and efficiency;
(d) Support for community and domestic water systems to ensure access to safe drinking water;
(e) Incentives for voluntary land management or stewardship practices that promote drought resiliency;
(f) Investments in drought resiliency and protection of natural resources, wildlife and in-stream priorities, such as addressing fish barriers, restoring streamflow and improving river temperatures; and
(g) Investments in drought-related outreach, education, research, monitoring, data and equipment.

(3) Moneys in the fund shall consist of:

(a) Moneys transferred to the fund under section 2 of this 2023 Act;
(b) Income earned on moneys in the fund;
(c) Moneys transferred to the fund from federal, state or local governments; and
(d) Any moneys or other assets transferred, deposited or otherwise credited to the fund from any source.

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

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

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

(b) Recompute the threshold by multiplying $300 million by the appropriate indexing factor determined as provided in paragraph (a) of this subsection. Round the amount obtained under this paragraph to the nearest $1.

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

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