

House Bill 2211

Sponsored by Representative HARKER (Pre-session filed.)

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**.

Repeals statutory "kicker" provisions. Discontinues return of surplus revenue refunds to taxpayers.

Applies to biennia ending on or after June 30, 2011.

Takes effect only if House Joint Resolution 2 (2011) is approved by people at next regular general election. Takes effect on effective date of constitutional amendment proposed in House Joint Resolution 2 (2011).

A BILL FOR AN ACT

1
2 Relating to surplus revenue disposition; creating new provisions; amending ORS 286A.045 and
3 291.353; repealing ORS 291.349, 291.351, 305.792 and 305.794; and prescribing an effective date.

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

5 **SECTION 1.** ORS 291.353 is amended to read:

6 291.353. *[(1)]* The Surplus Kicker Cost Account is established in the General Fund of the State
7 Treasury.

8 *[(2) Upon cost certification by the Department of Revenue under ORS 291.351, an amount equal to*
9 *the total amount certified shall be credited from the General Fund to the Surplus Kicker Cost*
10 *Account.]* All moneys in the account are appropriated continuously to the Department of Revenue
11 for the purpose of *[carrying out the provisions of ORS 291.349]* **satisfying unpaid surplus revenue**
12 **refunds required by ORS 291.349 as that section applied to biennia ending on or before June**
13 **30, 2009.**

14 **SECTION 2.** ORS 286A.045 is amended to read:

15 286A.045. (1) The State Treasurer may issue bonds to finance all or a portion of the current
16 expenses of this state. The amount of bonds issued under this section at any time may not exceed
17 the State Treasurer's estimate of the cash flow deficit in revenues available to pay the expenses that
18 are financed with the bonds, plus amounts for reasonable reserves and costs.

19 (2) To estimate the amount of cash flow deficit, the State Treasurer shall take into account the
20 most recent cash flow forecast made by the Oregon Department of Administrative Services and any
21 other information the State Treasurer determines is reliable and relevant.

22 (3) When the State Treasurer issues bonds under this section:

23 (a) The Oregon Department of Administrative Services shall account for and administer the
24 proceeds of the bonds and the repayment of the bonds. The State Treasurer, in consultation with the
25 Oregon Department of Administrative Services, shall determine the appropriate investment strategy
26 for the proceeds of the bonds. The State Treasurer shall notify the Director of the Oregon De-
27 partment of Administrative Services, the Legislative Fiscal Officer and the Legislative Revenue Of-
28 ficer before issuing bonds under this section.

29 (b) The State Treasurer may pledge:

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 (A) All or a portion of the revenues of the State of Oregon to pay bonds issued under this sec-
 2 tion.

3 (B) The full faith and credit of the State of Oregon to pay bonds issued under this section if the
 4 bonds are payable from the Short Term Borrowing Account established under ORS 286A.050 and the
 5 bonds mature not later than the end of the biennium in which the bonds are issued.

6 (c) A state agency may use the proceeds of bonds issued under this section:

7 (A) For a purpose for which the revenues that are pledged to pay the bonds may be used;

8 (B) To pay principal, interest and premium, if any, on the bonds or a rebate or penalty due to
 9 the United States in connection with the bonds;

10 (C) To pay the cost of credit enhancement devices with respect to the bonds;

11 (D) To pay the costs of the State Treasurer and the Oregon Department of Administrative Ser-
 12 vices of issuing, administering or maintaining the bonds including, but not limited to, the cost of a
 13 consultant or adviser retained by the State Treasurer or the Oregon Department of Administrative
 14 Services; or

15 (E) To make payments with respect to agreements for the exchange of interest rates.

16 (4) This section constitutes complete authority for the State Treasurer to issue bonds described
 17 in this section.

18 (5) ORS 286A.035 does not apply to bonds authorized by this section.

19 (6) The requirements and limitations that apply to certificates of indebtedness issued under ORS
 20 293.165 do not apply to bonds issued by the State Treasurer under this section.

21 (7) This section and ORS 286A.050 constitute complete authorization by the Legislative Assem-
 22 bly for the use and expenditure of the proceeds of the bonds and the revenues pledged to pay those
 23 bonds for the purposes described in subsection (3)(c) of this section. Additional appropriation or
 24 authorization is not necessary. The authorization contained in this section and ORS 286A.050 to
 25 spend moneys for the purposes described in subsection (3)(c) of this section does not constitute an
 26 appropriation for purposes of ORS 291.357.

27 *[(8) The proceeds of bonds issued by the State Treasurer under this section do not constitute re-*
 28 *venues received by the General Fund for purposes of section 14, Article IX of the Oregon Constitution,*
 29 *and ORS 291.349.]*

30 *[(9)]* (8) The State Treasurer may perform the duties and exercise the powers of a related agency
 31 under this section.

32 **SECTION 3. ORS 291.349, 291.351, 305.792 and 305.794 are repealed.**

33 **SECTION 4. The amendments to ORS 286A.045 and 291.353 by sections 1 and 2 of this 2011**
 34 **Act and the repeal of ORS 291.349, 291.351, 305.792 and 305.794 by section 3 of this 2011 Act**
 35 **apply to biennia ending on or after June 30, 2011.**

36 **SECTION 5. This 2011 Act does not become effective unless the amendment the Oregon**
 37 **Constitution proposed by House Joint Resolution 2 (2011) is approved by the people at the**
 38 **next regular general election held throughout this state. This 2011 Act takes effect on the**
 39 **effective date of that constitutional amendment.**