

House Bill 3051

Sponsored by Representative CAMERON; Representative LINDSAY

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**.

Modifies circumstances under which moneys in Oregon Rainy Day Fund may be appropriated.

Requires that after May revenue forecast in odd-numbered year, specified percentage of projected General Fund revenues for next biennium be transferred to Oregon Rainy Day Fund.

Establishes Education Capital Construction Account. Specifies that moneys in account be used only for capital construction projects for public education. Requires that if sum of moneys in Oregon Rainy Day Fund and moneys in Education Stability Fund equals 10 percent of General Fund revenues projected for biennium, moneys that would otherwise be transferred to Oregon Rainy Day Fund be transferred to Education Capital Construction Account.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to a reserve fund; creating new provisions; amending ORS 293.144 and 293.146; repealing
3 ORS 293.148; and declaring an emergency.

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

5 **SECTION 1.** ORS 293.144 is amended to read:

6 293.144. (1) The Oregon Rainy Day Fund is established as an account in the General Fund.

7 (2) The Legislative Assembly may appropriate moneys from the Oregon Rainy Day Fund only if
8 the appropriation is approved by [*three-fifths*] **two-thirds** of the members serving in each house of
9 the Legislative Assembly and **the Governor declares an emergency**. [*the Legislative Assembly*
10 *finds one of the following:*]

11 [*(a) That the last quarterly economic and revenue forecast for a biennium indicates that moneys*
12 *available to the General Fund for the next biennium will be at least three percent less than appropri-*
13 *ations from the General Fund for the current biennium;*]

14 [*(b) That there has been a decline for two or more consecutive quarters in the last 12 months in*
15 *seasonally adjusted nonfarm payroll employment; or*]

16 [*(c) That a quarterly economic and revenue forecast projects that revenues in the General Fund in*
17 *the current biennium will be at least two percent below what the revenues were projected to be in the*
18 *revenue forecast on which the legislatively adopted budget for the current biennium was based.*]

19 [(3) *Once each month, the Oregon Department of Administrative Services shall calculate the amount*
20 *of General Fund interest that is attributable to moneys in the Oregon Rainy Day Fund. Except as*
21 *otherwise provided in ORS 293.148, the department shall transfer the amount calculated under this*
22 *subsection to the Oregon Rainy Day Fund.*]

23 [(4) *The Legislative Assembly may not appropriate for any one biennium more than two-thirds of*
24 *the amount that is in the Oregon Rainy Day Fund at the beginning of that biennium. If the appropri-*
25 *ation is for a biennium that has not yet begun, the Legislative Assembly may use as the base the most*
26 *recent estimate of the amount that will be in the Oregon Rainy Day Fund at the beginning of the*
27 *biennium for which the appropriation is made.*]

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.

(3) The Legislative Assembly may not appropriate more than two-thirds of the amount in the Oregon Rainy Day Fund for any one biennium.

[(5) As used in this section, "legislatively adopted budget" has the meaning given that term in ORS 291.002.]

SECTION 2. ORS 293.146 is amended to read:

293.146. *[(1) 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) "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 under ORS 293.190.]

[(c) "Legislatively approved budget" has the meaning given that term in ORS 291.002.]

[(2) Except as provided in ORS 293.148, as soon as possible after the ending balance for a biennium is determined, an amount equal to one percent of the amount of General Fund appropriations for that biennium shall be transferred to the Oregon Rainy Day Fund established by ORS 293.144. If the ending balance does not equal or exceed one percent of the amount of General Fund appropriations, an amount equal to the ending balance shall be transferred to the Oregon Rainy Day Fund.]

As soon as possible after the May revenue forecast in an odd-numbered year, an amount equal to one percent of the projected amount of General Fund revenues for the biennium beginning July 1 of that odd-numbered year shall be transferred to the Oregon Rainy Day Fund established in ORS 293.144.

SECTION 3. Notwithstanding ORS 293.146, if the sum of moneys in the Oregon Rainy Day Fund and moneys in the Education Stability Fund equals 10 percent of the projected amount of General Fund revenues described in ORS 293.146, moneys that would otherwise be transferred to the Oregon Rainy Day Fund shall be transferred to the Education Capital Construction Account established in section 5 of this 2011 Act.

SECTION 4. The amendments to ORS 293.146 by section 2 of this 2011 Act first apply to the May 2013 revenue forecast.

SECTION 5. The Education Capital Construction Account is established as an account in the General Fund. The account shall consist of moneys transferred to the account under section 3 of this 2011 Act. Moneys in the account may be used only for capital construction projects for public education.

SECTION 6. Sections 3 and 5 of this 2011 Act, the amendments to ORS 293.144 and 293.146 by sections 1 and 2 of this 2011 Act and the repeal of ORS 293.148 by section 7 of this 2011 Act apply to:

(1) Appropriations made from the Oregon Rainy Day Fund on or after the effective date of this 2011 Act; and

(2) Transfers of amounts required to be made on or after the effective date of this 2011 Act.

SECTION 7. ORS 293.148 is repealed.

SECTION 8. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.