

DRAFT

SUMMARY

Proposes amendment to Oregon Constitution to transfer excess revenues from personal income tax collections to education stability fund and to eliminate surplus revenue “kicker” refund process.

Refers proposed amendment to people for their approval or rejection at next regular general election.

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new section 14a to be added to and made a part of Article IX, and by amending section 14, Article IX, and section 4, Article X-A, such sections to read:

Sec. 14. (1) As soon as is practicable after adjournment sine die of an odd-numbered year regular session of the Legislative Assembly, the Governor shall cause an estimate to be prepared of revenues that will be received by the General Fund for the biennium beginning July 1. The estimated revenues from corporate income and excise taxes shall be separately stated from the estimated revenues from other General Fund sources.

(2) As soon as is practicable after the end of the biennium, the Governor shall cause actual collections of revenues received by the General Fund for that biennium to be determined. The revenues received from corporate income and excise taxes shall be determined separately from the revenues received from other General Fund sources.

(3) If the revenues received by the General Fund from corporate income and excise taxes during the biennium exceed the amount estimated to be re-

1 ceived from corporate income and excise taxes for the biennium, by two
2 percent or more, the total amount of the excess shall be retained in the
3 General Fund and used to provide additional funding for public education,
4 kindergarten through twelfth grade.

5 (4) If the revenues received from General Fund revenue sources, exclusive
6 of those described in subsection (3) of this section, during the biennium ex-
7 ceed the amount estimated to be received from such sources for the
8 biennium, by two percent or more, the total amount of the excess shall [*be*
9 *returned to personal income taxpayers*] **be deposited in the education sta-**
10 **bility fund created under section 4, Article XV of this Constitution.**

11 [(5) *The Legislative Assembly may enact laws:*]

12 [(a) *Establishing a tax credit, refund payment or other mechanism by which*
13 *the excess revenues are returned to taxpayers, and establishing administrative*
14 *procedures connected therewith.*]

15 [(b) *Allowing the excess revenues to be reduced by administrative costs as-*
16 *sociated with returning the excess revenues.*]

17 [(c) *Permitting a taxpayer's share of the excess revenues not to be returned*
18 *to the taxpayer if the taxpayer's share is less than a de minimis amount*
19 *identified by the Legislative Assembly.*]

20 [(d) *Permitting a taxpayer's share of excess revenues to be offset by any li-*
21 *ability of the taxpayer for which the state is authorized to undertake collection*
22 *efforts.*]

23 [(6)(a)] **(5)(a)** Prior to the close of a biennium for which an estimate de-
24 scribed in subsection (1) of this section has been made, the Legislative As-
25 sembly, by a two-thirds majority vote of all members elected to each
26 [*House*] **house**, may enact legislation declaring an emergency and increasing
27 the amount of the estimate prepared pursuant to subsection (1) of this sec-
28 tion.

29 (b) The prohibition against declaring an emergency in an act regulating
30 taxation or exemption in section 1a[, *Article IX of this Constitution,*] **of this**
31 **Article** does not apply to legislation enacted pursuant to this subsection.

1 [(7)] **(6)** This section does not apply:

2 (a) If, for a biennium or any portion of a biennium, a state tax is not
3 imposed on or measured by the income of individuals.

4 (b) To revenues derived from any minimum tax imposed on corporations
5 for the privilege of carrying on or doing business in this state that is im-
6 posed as a fixed amount and that is nonapportioned (except for changes of
7 accounting periods).

8 (c) To biennia beginning before July 1, 2001.

9 **Sec. 4.** (1) If the Governor declares that a catastrophic disaster has oc-
10 curred:

11 (a) The Legislative Assembly may enact laws authorizing the use of rev-
12 enue described in section 3a, Article IX of this Constitution, for purposes
13 other than those described in that section.

14 [(b) *The Legislative Assembly may, by a vote of the number of members of*
15 *each house that constitutes a quorum under subsection (2) of section 3 of this*
16 *Article, appropriate moneys that would otherwise be returned to taxpayers*
17 *under section 14, Article IX of this Constitution, to state agencies for the*
18 *purpose of responding to the catastrophic disaster.*]

19 [(c)] **(b)** Notwithstanding section 7, Article XI of this Constitution, the
20 Legislative Assembly may lend the credit of the state or create debts or li-
21 abilities in an amount the Legislative Assembly considers necessary to pro-
22 vide an adequate response to the catastrophic disaster.

23 [(d)] **(c)** The provisions of section 15, Article XI of this Constitution, do
24 not apply to any law that is approved by three-fifths of the members of each
25 house who are able to attend a session described in subsection (3) of section
26 3 of this Article.

27 [(e)] **(d)** The Legislative Assembly may take action described in subsection
28 (6) of section 15, Article XI of this Constitution, upon approval by three-
29 fifths of the members of each house who are able to attend a session de-
30 scribed in subsection (3) of section 3 of this Article.

31 [(f)] **(e)** Notwithstanding section 4, Article XV of this Constitution, the

1 Legislative Assembly may allocate proceeds from the State Lottery for any
2 purpose and in any ratio the Legislative Assembly determines necessary to
3 provide an adequate response to the catastrophic disaster.

4 (2) Nothing in this section overrides or otherwise affects the provisions
5 of section 15b, Article V of this Constitution.

6 **SECTION 14a. (1) The amendment to section 14 of this Article and**
7 **the amendment to section 4, Article X-A of this Constitution, by**
8 **_____ Joint Resolution _____ (2019) (LC 2156) apply to biennia be-**
9 **ginning on or after July 1, 2019.**

10 **(2) This section is repealed on June 30, 2023.**

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12 **PARAGRAPH 2. The amendment proposed by this resolution shall**
13 **be submitted to the people for their approval or rejection at the next**
14 **regular general election held throughout this state.**

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