

House Joint Resolution 2

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Representative-elect John Lim)

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**.

Proposes amendment to Oregon Constitution to modify "kicker" surplus revenue refund provisions to require amounts in excess of estimated General Fund collections to be deposited in reserve fund until reserve fund reaches certain level. Refunds surplus revenue to taxpayers once reserve fund is fully funded. Authorizes Legislative Assembly to appropriate moneys from reserve fund when certain conditions exist. Limits amount that may be appropriated from reserve fund.

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, such sections to read:

Sec. 14. (1) As soon as is practicable after adjournment sine die of a 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 received from corporate income and excise taxes for the biennium, by two percent or more, the total amount of the excess shall be:

(a) Deposited in the reserve fund described in subsection (5) of this section until the reserve fund exceeds \$1 billion and thereafter shall be returned to corporate income and excise taxpayers; and

(b) Notwithstanding paragraph (a) of this subsection, deposited in the reserve fund described in subsection (5) of this section if the amount that would be returned to corporate income and excise taxpayers is less than \$_____.

(4) If the revenues received from General Fund revenue sources, exclusive of those described in subsection (3) of this section, during the biennium exceed the amount estimated to be received from such sources for the biennium, by two percent or more, the total amount of the excess shall be:

(a) Deposited in the reserve fund described in subsection (5) of this section until the reserve fund exceeds \$1 billion and thereafter shall be returned to personal income taxpayers; and

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 (b) Notwithstanding paragraph (a) of this subsection, deposited in the reserve fund de-
 2 scribed in subsection (5) of this section if the amount that would be returned to personal
 3 income taxpayers is less than \$_____.

4 (5)(a) The Legislative Assembly shall establish a reserve fund into which moneys de-
 5 scribed in subsections (3) and (4) of this section shall be deposited. Earnings on moneys in
 6 the reserve fund shall be retained by the reserve fund. Moneys in the reserve fund shall be
 7 invested as provided by law and are not subject to the limitations of section 6, Article XI of
 8 this Constitution.

9 (b) Moneys may not be appropriated from the reserve fund unless the balance of the re-
 10 serve fund exceeds \$1 billion.

11 (c) When the balance of the reserve fund exceeds \$1 billion, moneys may be appropriated
 12 from the reserve fund by the Legislative Assembly:

13 (A) Only if the unemployment rate in seasonally adjusted nonfarm payroll employment
 14 for two or more consecutive quarters of the current biennium or of the 12-month period
 15 preceding the date on which the appropriation is made exceeds seven percent; and

16 (B) In amounts that do not exceed \$200 million per year.

17 [(5)] (6) The Legislative Assembly may enact laws:

18 (a) Establishing a tax credit, refund payment or other mechanism by which the excess revenues
 19 are returned to taxpayers, and establishing administrative procedures connected therewith.

20 (b) Allowing the excess revenues to be reduced by administrative costs associated with return-
 21 ing the excess revenues.

22 (c) Permitting a taxpayer's share of the excess revenues not to be returned to the taxpayer if
 23 the taxpayer's share is less than a de minimis amount identified by the Legislative Assembly.

24 (d) Permitting a taxpayer's share of excess revenues to be offset by any liability of the taxpayer
 25 for which the state is authorized to undertake collection efforts.

26 [(6)(a)] (7)(a) Prior to the close of a biennium for which an estimate described in subsection (1)
 27 of this section has been made, the Legislative Assembly, by a two-thirds majority vote of all mem-
 28 bers elected to each House, may enact legislation declaring an emergency and increasing the
 29 amount of the estimate prepared pursuant to subsection (1) of this section.

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

33 [(7)] (8) This section does not apply:

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

36 (b) To revenues derived from any minimum tax imposed on corporations for the privilege of
 37 carrying on or doing business in this state that is imposed as a fixed amount and that is nonappor-
 38 tioned (except for changes of accounting periods).

39 [(c) *To biennia beginning before July 1, 2001.*]

40 **SECTION 14a. (1) The amendment to section 14 of this Article by House Joint Resolution**
 41 **2 (2005) applies to biennia beginning on or after July 1, 2007.**

42 **(2) This section is repealed on January 1, 2010.**

43
 44 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**
 45 **people for their approval or rejection at the next regular general election held throughout**

1 **this state.**

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