

B-Engrossed Senate Bill 27

Ordered by the House July 5
Including Senate Amendments dated April 28 and House Amendments
dated July 5

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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.

Creates financial estimate committee comprised of state officials and local government representative to prepare financial estimates for state measures submitted to voters. **Requires that committee consult with Legislative Revenue Officer to determine if measure has significant indirect economic or fiscal effects and to incorporate relevant part of estimate prepared by Legislative Revenue Officer in estimate prepared by committee.** Authorizes committee to prepare additional statement explaining financial effects of measure. Allows estimate of financial effect of state measure on state or local governments printed in voters' pamphlet and on ballot to include estimate of financial effect on state and local governments if measure is not enacted.

[Allows] **Requires** estimate of financial effect of enacting state measure to specify amount of financial effect, that measure has financial effect of less than \$100,000 or that measure has no financial effect.

A BILL FOR AN ACT

1
2 Relating to estimates of financial impact of state measures; creating new provisions; and amending
3 ORS 250.125, 250.127, 250.131 and 251.185.

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

5 **SECTION 1.** ORS 250.125 is amended to read:

6 250.125. (1) When a state measure involves expenditure of public [*money*] **moneys** by the state,
7 reduction of expenditure of public [*money*] **moneys** by the state, reduction of state revenues or
8 raising of funds by the state by imposing any tax or incurring any indebtedness, the [*Secretary of*
9 *State, the State Treasurer, the Director of the Oregon Department of Administrative Services and the*
10 *Director of the Department of Revenue*] **financial estimate committee created under this section**
11 shall estimate:

12 (a) The amount of direct expenditure, direct reduction of expenditure, direct reduction in state
13 revenues, direct tax revenue or indebtedness and interest [*which*] **that** will be required to meet the
14 provisions of the measure if it is enacted[. *The estimate shall state the recurring annual amount in-*
15 *volved or, if the measure does not involve a recurring annual amount, the total amount.*]; **and**

16 [(2)] (b) [*The officials named in subsection (1) of this section shall also estimate*] The aggregate
17 amount of direct expenditure, direct reduction of expenditure, direct reduction in revenues, direct
18 tax revenue or indebtedness and interest [*which*] **that** will be required by any city, county or district
19 to meet the provisions of the measure **if it is enacted.**

20 (2) **For a state measure for which an estimate is required to be prepared under sub-**
21 **section (1) of this section, the financial estimate committee may also estimate the amount**

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 of direct expenditure, direct reduction of expenditure, direct reduction in revenues, direct
 2 tax revenue or indebtedness and interest that will result for the state or any city, county
 3 or district if the measure is not enacted. The financial estimate committee may make an
 4 estimate under this subsection if the Legislative Assembly has enacted a law that will apply
 5 only if the measure for which the estimate is prepared is not enacted.

6 (3) For a state measure for which an estimate is required to be prepared under sub-
 7 section (1) of this section, the financial estimate committee shall consult with the Legislative
 8 Revenue Officer to determine if the measure has potentially significant indirect economic
 9 or fiscal effects. If the committee determines that the indirect economic or fiscal effects of
 10 the measure are significant and can be estimated, the Legislative Revenue Officer shall pre-
 11 pare on behalf of the committee an impartial estimate of the indirect economic or fiscal ef-
 12 fects of the measure. The Legislative Revenue Officer shall use the best available economic
 13 models and data to produce the estimate. The financial estimate committee shall incorporate
 14 relevant parts of the estimate prepared by the Legislative Revenue Officer into the estimate
 15 prepared by the committee under subsection (1) of this section.

16 [(3)] (4) Except as provided in subsection (5) of this section, the estimates described in
 17 subsections (1) and (2) of this section shall be printed in the voters' pamphlet and on the ballot
 18 [unless the measure involves only state agency expenses not exceeding \$100,000 per year]. The esti-
 19 mates shall be impartial, simple and understandable and shall include the following infor-
 20 mation:

21 (a) A statement of the amount of financial effect on state or local government expen-
 22 ditures, revenues or indebtedness, expressed as a specific amount or as a range of amounts;

23 (b) A statement of any recurring annual amount of financial effect on state or local
 24 government expenditures, revenues or indebtedness;

25 (c) A description of the most likely financial effect or effects of the adoption of the
 26 measure; and

27 (d) If an estimate is made under subsection (2) of this section, a description of the most
 28 likely financial effect or effects if the measure is not enacted.

29 (5) If the financial estimate committee determines that the measure will have no finan-
 30 cial effect on state or local government expenditures, revenues or indebtedness or that the
 31 financial effect on state or local government expenditures, revenues or indebtedness will not
 32 exceed \$100,000, the committee shall prepare and file with the Secretary of State a statement
 33 declaring that the measure will have no financial effect or that the financial effect will not
 34 exceed \$100,000. The statement shall be printed in the voters' pamphlet and on the ballot.

35 [(4) If the officials named in subsection (1) of this section determine that the measure, if it is en-
 36 acted, will have no financial effect except as described in subsection (3) of this section, the words "no
 37 financial effect on state or local government expenditures or revenues" shall be printed in the voters'
 38 pamphlet and on the ballot.]

39 (6) In addition to the estimates described in subsections (1) and (2) of this section, if the
 40 financial estimate committee considers it necessary, the committee may prepare and file
 41 with the Secretary of State an impartial, simple and understandable statement explaining the
 42 financial effects of the measure. The statement may not exceed 500 words. The statement
 43 shall be printed in the voters' pamphlet with the measure to which it relates.

44 [(5)] (7) The Legislative Administration Committee shall provide any administrative staff assist-
 45 ance required by the [officials named in subsection (1) of this section] financial estimate committee

1 to facilitate the work of the *[officials]* **financial estimate committee** under this section or ORS
2 250.127.

3 **(8) The financial estimate committee is created, consisting of the Secretary of State, the**
4 **State Treasurer, the Director of the Oregon Department of Administrative Services, the Di-**
5 **rector of the Department of Revenue and a representative of a city, county or district with**
6 **expertise in local government finance. The representative of a city, county or district shall**
7 **be selected by the four other members of the financial estimate committee and shall serve**
8 **for a term of two years that begins on March 1 of the odd-numbered year.**

9 **SECTION 2.** ORS 250.127 is amended to read:

10 250.127. (1) Not later than the 99th day before a special election held on the date of a primary
11 election or any general election at which any state measure is to be submitted to the people, the
12 *[officials named in]* **financial estimate committee created under** ORS 250.125 shall prepare and
13 file with the Secretary of State[,] **the estimates** *[as]* described in ORS 250.125 **and, if the committee**
14 **considers it necessary, a statement explaining the financial effects of the measure as de-**
15 **scribed in ORS 250.125 (6).** The *[officials named in ORS 250.125]* **financial estimate committee**
16 may begin preparation of the estimates *[described in ORS 250.125]* **and statement** on the date that
17 a petition is accepted for verification of signatures under ORS 250.105 or the date that a measure
18 referred by the Legislative Assembly is filed with the Secretary of State, whichever is applicable.

19 (2) Not later than the 95th day before the election, the Secretary of State shall hold a hearing
20 in Salem upon reasonable statewide notice to receive suggested changes to the estimates **or state-**
21 **ment or to receive** other information. At the hearing any person may submit suggested changes
22 or other information orally or in writing. Written suggestions or other information also may be
23 submitted at any time before the hearing.

24 (3) The *[officials named in ORS 250.125]* **financial estimate committee** shall consider sug-
25 gestions and any other information submitted under subsection (2) of this section, and may file re-
26 vised estimates **or a revised statement** with the Secretary of State not later than the 90th day
27 before the election.

28 (4) Except as provided in subsection (5) of this section, the original estimates **and statement**
29 and any revised estimates **or statement** shall be approved by *[at least three]* **a majority** of the *[of-*
30 *icials named in ORS 250.125]* **members of the financial estimate committee.** If *[an official]* **a**
31 **member** does not concur, the estimates **or statement** shall show only that the *[official]* **member**
32 dissents. The Secretary of State shall certify final estimates **and a final statement** not later than
33 the 90th day before the election at which the measure is to be voted upon. All estimates **and**
34 **statements** prepared under ORS 250.125 and this section shall be made available to the public.

35 (5) If *[two or more]* **a majority** of the *[officials named in ORS 250.125]* **members of the finan-**
36 **cial estimate committee** do not approve the estimates **or statement**, the Secretary of State alone
37 shall prepare, file and certify the estimates **or statement** not later than the 88th day before the
38 election at which the measure is to be voted upon with the data upon which *[it]* **the estimates or**
39 **statement** is based.

40 (6) The support or opposition of any *[official named in ORS 250.125]* **member of the financial**
41 **estimate committee** to the original or revised estimates **or statement** shall be indicated in the
42 minutes of any meeting of the *[officials]* **committee.** Meetings of the *[officials]* **financial estimate**
43 **committee** shall be open to the public. Designees of the *[officials named in ORS 250.125]* **members**
44 **of the financial estimate committee** may attend any meetings of the *[officials]* **committee** in the
45 place of the *[officials]* **members**, but the designees may not vote to approve or oppose any estimates

1 **or statement.**

2 (7) A failure to prepare, file or certify estimates **or a statement** under ORS 250.125, this section
3 or ORS 250.131 [*shall*] **does** not prevent the inclusion of the measure in the voters' pamphlet or
4 placement of the measure on the ballot.

5 (8) If the estimates are not delivered to the county clerk by the 61st day before the election, the
6 county clerk may proceed with the printing of ballots. The county clerk [*shall not be*] **is not** required
7 to reprint ballots to include the estimates or to provide supplemental information that includes the
8 estimates.

9 **SECTION 3.** ORS 250.131 is amended to read:

10 250.131. (1) Any person alleging that an estimate [*required under*] **or statement described in**
11 ORS 250.125 was prepared, filed or certified in violation of the procedures specified in ORS 250.125
12 or 250.127 may petition the Supreme Court seeking that the required procedures be followed and
13 stating the reasons the estimate **or statement** filed with the court does not satisfy the required
14 procedures. [*No petition shall be allowed concerning the amount*] **A petition is not allowed con-**
15 **cerning the contents** of the estimate **or statement** or [*regarding*] whether an estimate **or state-**
16 **ment** should be prepared.

17 (2) If the petition is filed not later than the 85th day before the election at which the measure
18 is to be voted upon, the court shall review the procedures under which the estimate **or statement**
19 was prepared, filed and certified, hear arguments and determine whether the procedures required
20 under ORS 250.125 and 250.127 were satisfied. The review by the Supreme Court shall be conducted
21 expeditiously to [*insure*] **ensure** the orderly and timely conduct of the election at which the measure
22 is to be submitted to the electors.

23 (3) If the court determines that the procedures described in ORS 250.125 and 250.127 were not
24 satisfied, the court shall order the preparation of a second estimate **or statement**, to be prepared,
25 filed and certified as provided in ORS 250.125 and 250.127 except that:

26 (a) The [*officials named in ORS 250.125*] **financial estimate committee created under ORS**
27 **250.125** shall prepare and file with the Secretary of State an estimate **or statement** not later than
28 two days following the decision of the court;

29 (b) A hearing shall be held within two days after the estimate **or statement** is filed; and

30 (c) An estimate **or statement** shall be certified not later than seven days after the decision of
31 the court. The procedures under which the second estimate **or statement** is filed and certified may
32 not be appealed.

33 **SECTION 4.** ORS 251.185 is amended to read:

34 251.185. (1) The Secretary of State shall have printed in the voters' pamphlet for a general
35 election or any special election a copy of the title and text of each state measure to be submitted
36 to the people at the election for which the pamphlet was prepared. Each measure shall be printed
37 in the pamphlet with [*the number, ballot title and the financial estimates under ORS 250.125, if any,*
38 *to be printed on the official ballot, and with the explanatory statement and arguments relating to it*]:

39 (a) **The number and ballot title of the measure;**

40 (b) **The financial estimates and any statement prepared for the measure under ORS**
41 **250.125;**

42 (c) **The explanatory statement prepared for the measure; and**

43 (d) **Arguments relating to the measure and filed with the Secretary of State.**

44 (2) A county measure or measure of a metropolitan service district organized under ORS chapter
45 268, and ballot title, explanatory statement and arguments relating to the measure, filed by the

1 county or metropolitan service district under ORS 251.285 shall be included in the voters' pamphlet
2 described in subsection (1) of this section if required under ORS 251.067.

3 **SECTION 5. (1) The amendments to ORS 250.125, 250.127, 250.131 and 251.185 by sections**
4 **1 to 4 of this 2005 Act apply to the preparation of any financial estimates or statements un-**
5 **der ORS 250.125 and 250.127 for which the deadline for filing the original estimates or state-**
6 **ments occurs on or after the effective date of this 2005 Act.**

7 **(2) Notwithstanding ORS 250.125, the four members of the financial estimate committee**
8 **described in ORS 250.125 shall select, not later than January 30, 2006, the first representative**
9 **of a city, county or district to serve on the committee. The term of service for the person**
10 **selected under this subsection ends on February 28, 2007.**

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