

Enrolled
House Bill 2707

Sponsored by COMMITTEE ON REVENUE

CHAPTER

AN ACT

Relating to a reserve fund; declaring an emergency; and providing for revenue estimate modification that requires approval by a two-thirds majority.

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

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

(2) The Legislative Assembly may appropriate moneys from the Oregon Rainy Day Fund only if the appropriation is approved by three-fifths of the members serving in each house of the Legislative Assembly and the Legislative Assembly finds one of the following:

(a) That the last quarterly economic and revenue forecast for a biennium indicates that moneys available to the General Fund for the next biennium will be at least three percent less than appropriations from the General Fund for the current biennium;

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

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

(3) Once each month, the Oregon Department of Administrative Services shall calculate the amount of General Fund interest that is attributable to moneys in the Oregon Rainy Day Fund. Except as otherwise provided in section 6 of this 2007 Act, the department shall transfer the amount calculated under this subsection to the Oregon Rainy Day Fund.

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

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

SECTION 2. Pursuant to section 14 (6)(a), Article IX of the Oregon Constitution, the Legislative Assembly increases the amount of the estimate of revenues that will be received from corporate income and excise taxes for the biennium beginning July 1, 2005, to \$975 million.

SECTION 3. (1) Except as provided in subsection (2) of this section, any positive difference between the actual amount of revenues collected from corporate income and excise taxpayers for the biennium beginning July 1, 2005, and the estimate made for that biennium pursuant to section 14 (1), Article IX of the Oregon Constitution, shall be distributed as follows:

(a) The amount of \$24.8 million shall be deposited in the General Fund; and
(b) The remainder shall be deposited in the Oregon Rainy Day Fund established by section 1 of this 2007 Act.

(2) If the actual amount of revenues collected from corporate income and excise taxpayers for the biennium beginning July 1, 2005, exceeds the amount of the estimate made in section 2 of this 2007 Act by two percent or more:

(a) The difference between the actual amount of revenues and the estimate made in section 2 of this 2007 Act shall be returned to corporate income and excise taxpayers in the manner provided in ORS 291.349; and

(b) The difference between the estimate of revenues made in section 2 of this 2007 Act and the estimate made for the biennium beginning July 1, 2005, pursuant to section 14 (1), Article IX of the Oregon Constitution, shall be distributed as follows:

(A) The amount of \$24.8 million shall be deposited in the General Fund; and
(B) The remainder shall be deposited in the Oregon Rainy Day Fund established by section 1 of this 2007 Act.

SECTION 4. (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 section 6 of this 2007 Act, 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 section 1 of this 2007 Act. 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.

SECTION 5. Section 4 of this 2007 Act applies to ending balances for biennia beginning on or after July 1, 2007.

SECTION 6. (1) If the moneys in the Oregon Rainy Day Fund established by section 1 of this 2007 Act just prior to the time of a transfer scheduled under section 1 (3) or 4 of this 2007 Act equal at least 7-1/2 percent of the amount of General Fund revenues collected during the prior biennium, moneys that would otherwise be transferred to the Oregon Rainy Day Fund shall be deposited in the General Fund.

(2) If the moneys in the Oregon Rainy Day Fund just prior to the time of a transfer scheduled under section 1 (3) or 4 of this 2007 Act do not equal at least 7-1/2 percent of the amount of General Fund revenues collected during the prior biennium, the transfer to the Oregon Rainy Day Fund shall be made regardless of whether that transfer increases the amount in the Oregon Rainy Day Fund to at least 7-1/2 percent of the amount of General Fund revenues collected during the prior biennium.

SECTION 7. Sections 1 to 6 of this 2007 Act do not become operative unless B-engrossed House Bill 2031 is passed by both houses of the Legislative Assembly and signed by the Governor on or before March 16, 2007.

SECTION 8. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect May 1, 2007.

Passed by House March 8, 2007

.....
Chief Clerk of House

.....
Speaker of House

Passed by Senate March 15, 2007

.....
President of Senate

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

.....
Governor

Filed in Office of Secretary of State:

.....M,....., 2007

.....
Secretary of State