

Minority Report
D-Engrossed
House Bill 2707

Ordered by the Senate March 14
Including House Amendments dated February 22 and March 6 and
March 8 and Senate Minority Report Amendments dated March 14

Sponsored by nonconcurring members of the Senate Committee on Finance and Revenue: Senators STARR, G
GEORGE

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.

[Establishes Oregon Rainy Day Fund. Increases amount of estimate of revenues that will be received from corporate income and excise taxes for biennium beginning July 1, 2005. Requires distribution of difference between amount actually collected and amount estimated after close of 2005 regular session. Establishes formula for transfer of moneys to Oregon Rainy Day Fund in subsequent biennia.]

[Becomes operative only if B-engrossed House Bill 2031 relating to corporate taxation passes both houses of Legislative Assembly and is signed by Governor on or before March 16, 2007.]

[Declares emergency, effective May 1, 2007.]

Establishes Oregon Budget Reserve Fund separate and distinct from General Fund.

Establishes process and formula by which Legislative Assembly must leave certain percentage of estimated General Fund revenues unappropriated when budgeting for biennium beginning on July 1 of regular legislative session and, if amount of revenues collected during biennium exceeds amount estimated, deposit difference in Oregon Budget Reserve Fund.

Provides that moneys in Oregon Budget Reserve Fund may be appropriated by Legislative Assembly only by three-fifths vote of each house and under specified conditions.

A BILL FOR AN ACT

1
2 Relating to a reserve fund.

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

4 **SECTION 1. (1) The Oregon Budget Reserve Fund is established separate and distinct**
5 **from the General Fund. The Oregon Budget Reserve Fund consists of:**

6 (a) **Moneys deposited into the fund in accordance with this section; and**

7 (b) **Any other moneys deposited into the fund in accordance with law.**

8 (2) **In budgeting for a biennium that begins on July 1 of the year of a regular legislative**
9 **session, the Legislative Assembly shall leave unappropriated three percent of the amount of**
10 **General Fund revenues estimated to be available for the biennium. The Legislative Assembly**
11 **shall use the estimate of General Fund revenues contained in the last quarterly economic**
12 **and revenue forecast presented prior to the end of the regular legislative session.**

13 (3) **When the actual amount of General Fund revenues collected has been determined for**
14 **a biennium:**

15 (a) **If the actual amount equals or exceeds the amount of the estimate used to determine**
16 **the amount left unappropriated for that biennium under subsection (2) of this section, the**
17 **three percent of estimated General Fund revenues that was left unappropriated for that**
18 **biennium under subsection (2) of this section shall be deposited into the Oregon Budget Re-**

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 **serve Fund.**

2 **(b) If the actual amount is less than the amount of the estimate used to determine the**
3 **amount left unappropriated for that biennium under subsection (2) of this section, but not**
4 **less than 97 percent of the estimated amount, the amount by which the actual revenues ex-**
5 **ceed 97 percent of the estimated revenues shall be deposited into the Oregon Budget Reserve**
6 **Fund.**

7 **(4) The Legislative Assembly may by law appropriate in any one biennium up to two-**
8 **thirds of the principal of the Oregon Budget Reserve Fund if:**

9 **(a) The proposed appropriation is approved by three-fifths of the members serving in each**
10 **house of the Legislative Assembly and the Legislative Assembly finds one of the following:**

11 **(A) That the last quarterly economic and revenue forecast presented prior to the end of**
12 **the regular legislative session estimates that General Fund revenues for the biennium that**
13 **begins on July 1 of the year of the regular legislative session will be at least three percent**
14 **less than the amount of appropriations made from the General Fund for the biennium that**
15 **ends on June 30 of the year of the regular legislative session, as determined as of the date**
16 **the forecast is presented;**

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

19 **(C) That a quarterly economic and revenue forecast estimates that General Fund reven-**
20 **ues for the biennium in which the forecast is made will be at least two percent below the**
21 **amount estimated in the last quarterly economic and revenue forecast presented prior to the**
22 **end of the regular legislative session in which the budget for the current biennium was**
23 **adopted; or**

24 **(b) The proposed appropriation is approved by three-fifths of the members serving in each**
25 **house of the Legislative Assembly and the Governor declares an emergency.**

26 **(5) Earnings on moneys in the Oregon Budget Reserve Fund shall be deposited into the**
27 **fund and become part of the principal of the fund.**

28 **(6) For purposes of this section:**

29 **(a) Moneys in the Oregon Budget Reserve Fund that are appropriated under subsection**
30 **(4) of this section are not General Fund revenues; and**

31 **(b) The quarterly economic and revenue forecast is the forecast made for purposes of**
32 **section 4 (6), Article XV of the Oregon Constitution.**

33 **(7) The Legislative Assembly shall first apply subsection (2) of this section to the budget**
34 **developed for the biennium beginning July 1, 2009.**

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