

House Joint Resolution 6

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

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**.

Establishes Stability Fund. Directs that revenues from capital gains taxes and estate taxes be deposited in fund. Requires that amount equal to one percent of General Fund appropriations for biennium be transferred from Stability Fund to Oregon Rainy Day Fund each biennium. Transfers remainder of Stability Fund to State School Fund each biennium.

Transfers all moneys in Stability Fund to Oregon Rainy Day Fund if revenues received from General Fund revenue sources exceed revenue estimate for biennium by two percent or more.

Reduces amount of transfer to Oregon Rainy Day Fund and transfers remaining moneys in Stability Fund to General Fund if revenue forecast projects revenues will be at least two percent below revenue estimate for biennium.

Applies to biennia beginning on or after July 1, 2017.

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 new sections 16 and 16a to be added to and made a part of Article IX, such sections to read:

SECTION 16. (1) The Stability Fund is established in the State Treasury, separate and distinct from the General Fund. The Legislative Assembly may establish subaccounts within the Stability Fund. Interest earned by the Stability Fund shall be credited to the fund. The fund consists of:

(a) All revenues received by the state from capital gains taxes;

(b) All revenues received by the state from estate taxes; and

(c) Any other moneys deposited into the fund in accordance with law.

(2) Except as provided in subsections (4) and (5) of this section, each biennium, an amount equal to one percent of the amount of General Fund appropriations for that biennium shall be transferred from the Stability Fund to an Oregon Rainy Day Fund established by law. The transfer shall be made on or before June 30 of each odd-numbered year.

(3) Except as provided in subsections (4) and (5) of this section, each biennium, the amount remaining in the Stability Fund after the transfer required under subsection (2) of this section shall be transferred to a State School Fund established by law. The transfer shall be made on or before June 30 of each odd-numbered year.

(4) If revenues received from the General Fund revenue sources described in section 14 (3), Article IX of this Constitution, during the biennium will exceed the amount estimated to be received from such sources for the biennium by two percent or more, all moneys in the Stability Fund for that biennium shall be transferred from the Stability Fund to an Oregon Rainy Day Fund established by law. The transfer shall be made on or before June 30 of each odd-numbered year.

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

5 (a) The amount transferred from the Stability Fund to an Oregon Rainy Day Fund under
6 subsection (2) of this section shall be reduced by one-half; and

7 (b) In lieu of the transfer described in subsection (3) of this section, not later than June
8 30 of the odd-numbered year, an amount equal to the amount that revenues are two percent
9 or more below what the revenues were projected to be shall be transferred from the Stability
10 Fund to the General Fund to be available for general governmental purposes.

11 (6) As used in this section:

12 (a) "General Fund appropriations" means the amount of moneys appropriated from the
13 General Fund for a biennium in the legislatively approved budget for the biennium, minus
14 the amount of any General Fund appropriation balances for that biennium that revert to the
15 General Fund as provided by law.

16 (b) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly
17 during an odd-numbered year regular session.

18 (c) "Legislatively approved budget" means the legislatively adopted budget as modified
19 by the joint committee referred to in section 3, Article III of this Constitution, or by the
20 Legislative Assembly meeting in regular or special session.

21 SECTION 16a. (1) Section 16 of this Article applies to biennia beginning on or after July
22 1, 2017.

23 (2) This section is repealed on June 30, 2019.

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