

ENGROSSED HOUSE
JOINT
RESOLUTION NO. 1055

By: Askins of the House

and

Maddox of the Senate

(Joint Resolution - proposed amendments to Section
26 of Article V and Section 23 of Article X of the
Constitution - appropriation measures during odd-
numbered years - annual state budget - effective
date - ballot title -

directing filing)

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
2ND SESSION OF THE 48TH OKLAHOMA LEGISLATURE:

SECTION 1. The Secretary of State shall refer to the people for
their approval or rejection, as and in the manner provided by law,
the following proposed amendment to Section 26 of Article V and
Section 23 of Article X of the Constitution of the State of Oklahoma
to read as follows:

Section 26. A. The Legislature shall meet in regular session
at the seat of government at twelve o'clock noon on the first Monday
in February of each year and the regular session shall be finally
adjourned sine die not later than five o'clock p.m. on the last
Friday in May of each year.

B. The Legislature shall also meet in regular session at the
seat of government on the first Tuesday after the first Monday in
January of each odd numbered year, beginning at twelve o'clock noon
for the purposes only of performing the duties as required by
Section 5 of Article VI of the Constitution and organizing pursuant

to the provisions of this Article and shall recess not later than five o'clock p.m. of that same day until the following first Monday in February of the same year, beginning at twelve o'clock noon.

C. During each odd-numbered year, the Legislature may only consider measures related to budgetary or revenue and financial matters, redistricting measures in the first session after the Federal Decennial Census and measures of an emergency nature certified in writing by the Speaker of the House of Representatives and President Pro Tempore of the Senate. Other measures may be introduced and considered by a two-thirds (2/3) vote of either house. In the sessions occurring during odd-numbered years, the Legislature shall provide for a state budget for each of the two (2) ensuing fiscal years.

D. The changes made to this section pursuant to this amendment shall become effective January 1, 2005.

Section 23. The state shall never create or authorize the creation of any debt or obligation, or fund or pay any deficit, against the state, or any department, institution or agency thereof, regardless of its form or the source of money from which it is to be paid, except as may be provided in this section and in Sections 24 and 25 of Article X of the Constitution of the State of Oklahoma.

To ensure a balanced annual budget, pursuant to the limitations contained in the foregoing, procedures are herewith established as follows:

1. Not more than forty-five (45) days or less than thirty-five (35) days prior to the ~~convening of each regular session of the Legislature~~ first Monday in February in each odd-numbered year, the State Board of Equalization shall certify the total amount of revenue which accrued during the ~~last two (2) preceding fiscal year~~ years to the General Revenue Fund and to each Special Revenue Fund appropriated directly by the Legislature, and shall further certify amounts available for appropriation which shall be based on a

determination, in accordance with the procedure hereinafter provided, of the revenues to be received by the state under the laws in effect at the time such determination is made, for each of the next ensuing two (2) fiscal year years, showing separately the revenues to accrue to the credit of each such fund of the state appropriated directly by the Legislature.

Amounts certified as available for appropriation from each fund, as hereinbefore provided, shall be ninety-five percent (95%) of an itemized estimate made by the State Board of Equalization, which shall include all sources of revenue to each fund for each of the next two (2) ensuing fiscal year years; provided however, appropriated federal funds shall be certified for the full amount of the estimate. Said estimate shall consider any increase or decline in revenues that would result from predictable changes in the economy.

Legislative appropriations for any two-year fiscal year period, except for special appropriations provided for in paragraph 4, shall be limited to a sum not to exceed the total amount appropriated from all funds in the preceding two-year fiscal year period, plus twelve percent (12%), adjusted for inflation for the previous calendar year. Said limit shall be adjusted for funds not previously appropriated. The limit on the growth of appropriations shall be certified to by the State Board of Equalization.

2. Such certification shall be filed with the Governor, the President and President Pro Tempore of the Senate, and the Speaker of the House of Representatives. The Legislature shall not pass or enact any bill, act or measure making an appropriation of money for any purpose until such certification is made and filed, unless the State Board of Equalization has failed to file said certification at the time of convening of said Legislature. In such event, it shall be the duty of the Legislature to make such certification pursuant to the provisions of this section. All appropriations made in

excess of such certification shall be null and void; provided, however, that the Legislature may at any regular session or a special session, called for that purpose, enact laws to provide for additional revenues or a reduction in revenues, other than ad valorem taxes, or transferring the existing revenues or unappropriated cash on hand from one fund to another, or making provisions for appropriating funds not previously appropriated directly by the Legislature. Whereupon, it shall be the duty of the State Board of Equalization to make a determination of the revenues that will accrue under such laws and ninety-five percent (95%) of the amount of any increase or decrease resulting, for any reason, from such changes in laws shall be added to or deducted from the amount previously certified available for appropriation from each respective fund, as the case may be. The State Board of Equalization shall file the amount of such adjusted certification, or additional certification for funds not previously appropriated directly by the Legislature, with the Governor, with the President and President Pro Tempore of the Senate, and the Speaker of the House of Representatives, and such adjusted amount shall be the maximum amount which can be appropriated for all purposes from any such fund for the fiscal year being certified.

3. The State Board of Equalization shall meet within five (5) days after the monthly apportionment in February of each odd-numbered year, and at that time may adjust the certification, based upon the most current information available, and determine the amount of funds available for appropriation for ~~that legislative session~~ each of the ensuing two (2) fiscal years. At said meeting the Board shall determine the limit on the growth of appropriations as provided for in this section.

4. Surplus funds or monies shall be any amount accruing to the General Revenue Fund of the State of Oklahoma over and above the itemized estimate made by the State Board of Equalization.

Beginning July 1, 1985, all such surplus funds or monies accruing after said date shall be placed in a Constitutional Reserve Fund by the State Treasurer until such time that the amount of said Fund equals ten percent (10%) of the General Revenue Fund certification for the preceding fiscal year. Appropriations made from said Fund shall be considered special appropriations.

Up to one-half (1/2) of the balance at the beginning of the current fiscal year in the said Fund may be appropriated for the forthcoming fiscal year, when the certification by the State Board of Equalization for said forthcoming fiscal year of the General Revenue Fund is less than that of the current fiscal year certification. In no event shall the amount of monies appropriated from said Reserve Fund be in excess of the difference between the two said certifications.

Up to one-half (1/2) of the balance at the beginning of the current fiscal year in the said Fund may be appropriated, upon a declaration by the Governor that emergency conditions exist, with concurrence of the Legislature by a two-thirds (2/3) vote of the House of Representatives and Senate for the appropriation; or said one-half (1/2) could be appropriated upon a joint declaration of emergency conditions by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, with a concurrence of a three-fourths (3/4) vote of the House of Representatives and Senate.

5. That portion of every appropriation, at the end of each fiscal year, in excess of actual revenues collected and allocated thereto, as hereinafter provided, shall be null and void. Revenues deposited in the State Treasury to the credit of the General Revenue Fund or of any special fund (which derives its revenue in whole or in part from state taxes or fees) shall, except as to principal and interest on the public debt, be allocated monthly to each department, institution, board, commission or special appropriation on a percentage basis, in that ratio that the total appropriation

for such department, institution, board, commission or special appropriation from each fund for that fiscal year bears to the total of all appropriations from each fund for that fiscal year, and no warrant shall be issued in excess of said allocation. Any department, institution or agency of the state operating on revenues derived from any law or laws which allocate the revenues thereof to such department, institution or agency shall not incur obligations in excess of the unencumbered balance of cash on hand. Nothing in this section shall prevent, under such conditions and limitations as shall be prescribed by law, the governing board of an institution of higher education within The Oklahoma State System of Higher Education from contracting with a president of such institution of higher education for periods extending more than one (1) year, but not to exceed three (3) years beyond the fiscal year in which the contract is signed.

6. The Legislature shall provide a method whereby appropriations shall be divided and set up on a monthly, quarterly or semiannual basis within each fiscal year to prevent obligations being incurred in excess of the revenue to be collected, and notwithstanding other provisions of this Constitution, the Legislature shall provide that all appropriations shall be reduced to bring them within revenues actually collected, but all such reductions shall apply to each department, institution, board, commission or special appropriation made by the State Legislature in the ratio that its total appropriation for that fiscal year bears to the total of all appropriations from that fund for that fiscal year; provided, however, that the Governor may in his discretion issue deficiency certificates to the State Treasurer for the benefit of any department, institution or agency of the state, if the amount of such deficiency certificates be within the limit of the current appropriation for that department, institution or agency, whereupon the State Treasurer shall issue warrants to the extent of such

certificates for the payment of such claims as may be authorized by the Governor, and such warrants shall become a part of the public debt and shall be paid out of any money appropriated by the Legislature and made lawfully available therefor; provided further, that in no event shall said deficiency certificates exceed in the aggregate the sum of Five Hundred Thousand Dollars (\$500,000.00) in any fiscal year.

Upon the approval by the people of this state of the amendment to this section contained in House Joint Resolution No. 1005 of the 1st Session of the 40th Legislature, the State Board of Equalization shall meet to recertify the amount of revenue available for appropriation for the fiscal year ending June 30, 1986.

The changes made to this section pursuant to this amendment shall become effective January 1, 2005.

SECTION 2. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 1 of this resolution shall be in the following form:

BALLOT TITLE

Legislative Referendum No. _____ State Question No. _____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends the Oklahoma Constitution. It amends Section 26 of Article 5 and Section 23 of Article 10. It would change the way the Legislature prepares the state budget. The Legislature would prepare the budget in odd-numbered years. The budget would be written for two full fiscal years. The Legislature would be restricted as to what types of legislation it could consider during odd-numbered years. The Legislature could consider all types of legislation in even-numbered years. Other provisions of the Oklahoma Constitution would be changed to provide for certification of funds by the State Board of Equalization. References to appropriations for one fiscal year

are changed to a two-year fiscal period. This amendment would become effective on January 1, 2005.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

YES, FOR THE AMENDMENT

NO, AGAINST THE AMENDMENT

SECTION 3. The Chief Clerk of the House of Representatives, immediately after the passage of this resolution, shall prepare and file one copy thereof, including the Ballot Title set forth in SECTION 2 hereof, with the Secretary of State and one copy with the Attorney General.

Passed the House of Representatives the 18th day of March, 2002.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2002.

Presiding Officer of the Senate