

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

HOUSE JOINT

RESOLUTION HJR1058:

Dank

AS INTRODUCED

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to the Constitution of the State of Oklahoma by adding a new Section 23.1 to Article X; defining terms; providing for limitation on expenditures; providing for computation of limit; providing for transfer of excess revenues to Constitutional Reserve Fund; providing for appropriations from Constitutional Reserve Fund; prescribing procedures related to appropriations; requiring reduction of state tax rates; providing exception; authorizing expenditures for certain emergencies and prescribing procedures related thereto; restricting authority for imposition of certain costs on units of local government; prohibiting units of local government from increasing taxes; providing exceptions; requiring enabling legislation; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 2ND SESSION OF THE 49TH 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 the Constitution of the State of Oklahoma by adding a new Section 23.1 to Article X thereof, to read as follows:

Section 23.1 A. As used in this section:

1. "Inflation" means the Consumer Price Index (all items) for the United States of America, or any comparable index, as computed by the Bureau of Labor Statistics or the Department of Commerce of the United States for a twelve-month period of time;

2. "Population" means the number of people residing in the state, excluding armed forces stationed overseas, as determined by the U.S. Bureau of the Census;

3. "Expenditures" means the total amount of monies appropriated by the state except:

- a. appropriations funded monies received from the federal government,
- b. principal and interest on bonded indebtedness,
- c. appropriations funded by unemployment and disability insurance funds,
- d. appropriations funded by discretionary user charges to the extent that such charges do not exceed the cost of the goods or services and its purchase by the user is discretionary,
- e. appropriations funded from permanent endowment, trust funds, or pension funds,
- f. proceeds of gifts or bequests made for purposes specified by the donor, or
- g. monies appropriated for tax relief;

4. "Fiscal year" means any accounting period consisting of twelve (12) consecutive months;

5. "Per capita expenditures" means the quotient derived from dividing expenditures of the state for a fiscal year by its population on the first day of that fiscal year; and

6. "Emergency" means an extraordinary event or occurrence that could not have been reasonably foreseen or prevented and that requires immediate expenditure to preserve the health, safety, and general welfare of the people.

B. A limit on the total amount of expenditures by the State of Oklahoma in each fiscal year is established.

C. The maximum annual percentage increase in state fiscal year spending shall equal the inflation rate plus the percentage change in state population in the prior calendar year.

D. Any excess of state revenues over expenditures at the end of a fiscal year shall be transferred to the Constitutional Reserve Fund.

E. Appropriation from the Constitutional Reserve Fund may be made only upon the total depletion of all other available funds in the event of such state emergencies as natural disasters, budget shortfalls and other unforeseen circumstances. Appropriations from the Fund can only occur upon a two-thirds (2/3) vote of all elected members of the House of Representatives and the State Senate. Income earned on the Constitutional Reserve Fund shall accrue to the Fund.

F. The Legislature shall reduce state tax rates for the next tax year to reflect the excess of revenues over expenditures except as otherwise required by this section.

G. The limitation imposed by subsection C of this section may be exceeded upon the exhaustion of the Constitutional Reserve Fund as provided in subsection D of this section, and upon the declaration of an emergency by the Governor and upon a two-thirds (2/3) vote of all members elected to each chamber of the Legislature concurring therein. The Legislature, by law, shall set forth the amount of the cost of the emergency and the method by which it shall be defrayed. The limitation may be exceeded only for the year in which the emergency is declared. In no event shall such emergency expenditures, as defined in subsection A of this section, be included in the computation of the limitation imposed by subsection C of this section for any other year.

H. The state shall not impose upon any local unit of government any part of the total costs of new programs or services, or increases in existing programs or services, unless a specific

appropriation is made sufficient to pay the local unit of government for that purpose. The proportion of state revenue paid to all local units of government, taken as a group, shall not be reduced below that proportion in effect at the adoption of this section. Where costs are transferred from one unit of government to another unit of government, either by law or court order, the limitation imposed by subsection C of this section shall be adjusted and transferred accordingly so that total costs are not increased as a result of such transfer.

I. Units of local government are hereby prohibited from levying any tax not in existence when this section is adopted, and from increasing the rates of existing taxes when this section is adopted, without the approval of a majority of the voters of the unit of local government. This section shall not apply to taxes imposed for the repayment of principal and interest or other indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued. The Legislature may impose an expenditure limitation upon local units of government not inconsistent with the provisions of this section.

J. The Legislature shall enact laws that may be necessary to implement and enforce the provisions of this section.

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 would add a new Section 23.1 to Article 10. It would limit the amount of money spent on the state budget each year. The limit would be based upon population and inflation. Tax money not needed for the budget would be placed in the Constitutional Reserve Fund.

Limits are placed on use of the Constitutional Reserve Fund. Tax rates would have to be lowered in a year following a budget surplus. Reserve funds could be spent on emergencies. The Legislature could not impose costs on local government. Local governments could not raise taxes without a vote of the people. Laws would be written as necessary to enforce these provisions.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL - YES _____

AGAINST THE PROPOSAL - NO _____

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.

49-2-7314 MAH 01/21/04