

SJR 53

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THE STATE SENATE
Wednesday, March 1, 2006

Senate Joint
Resolution No. 53
As Amended

SENATE JOINT RESOLUTION NO. 53 - By: FISHER, JOHNSON (Mike) and
MAZZEI of the Senate and CAREY of the House.

[constitutional amendment - maximum percentage of surplus
funds - Constitutional Reserve Fund - ballot title -
filing]

BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
2ND SESSION OF THE 50TH 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 23 of Article X of the
Constitution of the State of Oklahoma to read as follows:

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.

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

4 1. Not more than forty-five (45) days or less than thirty-five
5 (35) days prior to the convening of each regular session of the
6 Legislature, the State Board of Equalization shall certify the total
7 amount of revenue which accrued during the last preceding fiscal
8 year to the General Revenue Fund and to each Special Revenue Fund
9 appropriated directly by the Legislature, and shall further certify
10 amounts available for appropriation which shall be based on a
11 determination, in accordance with the procedure hereinafter
12 provided, of the revenues to be received by the state under the laws
13 in effect at the time such determination is made, for the next
14 ensuing fiscal year, showing separately the revenues to accrue to
15 the credit of each such fund of the state appropriated directly by
16 the Legislature.

17 Amounts certified as available for appropriation from each fund,
18 as hereinbefore provided, shall be ninety-five percent (95%) of an
19 itemized estimate made by the State Board of Equalization, which
20 shall include all sources of revenue to each fund for the next
21 ensuing fiscal year; provided, however, appropriated federal funds
22 shall be certified for the full amount of the estimate. Said

1 estimate shall consider any increase or decline in revenues that
2 would result from predictable changes in the economy.

3 Legislative appropriations for any fiscal year, except for
4 special appropriations provided for in paragraph 6, 7 or 8 shall be
5 limited to a sum not to exceed the total amount appropriated from
6 all funds in the preceding fiscal year, plus twelve percent (12%),
7 adjusted for inflation for the previous calendar year. Said limit
8 shall be adjusted for funds not previously appropriated. The limit
9 on the growth of appropriations shall be certified to by the State
10 Board of Equalization.

11 2. Such certification shall be filed with the Governor, the
12 President and President Pro Tempore of the Senate, and the Speaker
13 of the House of Representatives. The Legislature shall not pass or
14 enact any bill, act or measure making an appropriation of money for
15 any purpose until such certification is made and filed, unless the
16 State Board of Equalization has failed to file said certification at
17 the time of convening of said Legislature. In such event, it shall
18 be the duty of the Legislature to make such certification pursuant
19 to the provisions of this section. All appropriations made in
20 excess of such certification shall be null and void; provided,
21 however, that the Legislature may at any regular session or special
22 session, called for that purpose, enact laws to provide for
23 additional revenues or a reduction in revenues, other than ad

1 valorem taxes, or transferring the existing revenues or
2 unappropriated cash on hand from one fund to another, or making
3 provisions for appropriating funds not previously appropriated
4 directly by the Legislature. Whereupon, it shall be the duty of the
5 State Board of Equalization to make a determination of the revenues
6 that will accrue under such laws and ninety-five percent (95%) of
7 the amount of any increase or decrease resulting, for any reason,
8 from such changes in laws shall be added to or deducted from the
9 amount previously certified available for appropriation from each
10 respective fund, as the case may be. The State Board of
11 Equalization shall file the amount of such adjusted certification,
12 or additional certification for funds not previously appropriated
13 directly by the Legislature, with the Governor, with the President
14 and President Pro Tempore of the Senate, and the Speaker of the
15 House of Representatives, and such adjusted amount shall be the
16 maximum amount which can be appropriated for all purposes from any
17 such fund for the fiscal year being certified.

18 3. The State Board of Equalization shall meet within five (5)
19 days after the monthly apportionment in February of each year, and
20 at that time may adjust the certification, based upon the most
21 current information available, and determine the amount of funds
22 available for appropriation for that legislative session. At said

1 meeting the Board shall determine the limit on the growth of
2 appropriations as provided for in this section.

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

6 5. Beginning July 1, 1985, all such surplus funds or monies
7 accruing after said date shall be placed in a Constitutional Reserve
8 Fund by the State Treasurer until such time that the amount of said
9 Fund equals ~~ten percent (10%)~~ fifteen percent (15%) of the General
10 Revenue Fund certification for the preceding fiscal year.
11 Appropriations made from said Fund shall be considered special
12 appropriations.

13 6. Up to three-eighths (3/8) of the balance at the beginning of
14 the current fiscal year in the Constitutional Reserve Fund may be
15 appropriated for the forthcoming fiscal year, when the certification
16 by the State Board of Equalization for said forthcoming fiscal year
17 General Revenue Fund is less than that of the current fiscal year
18 certification. In no event shall the amount of monies appropriated
19 from the Constitutional Reserve Fund be in excess of the difference
20 between the two said certifications.

21 7. Up to three-eighths (3/8) of the balance at the beginning of
22 the current fiscal year in the Constitutional Reserve Fund may be
23 appropriated for the current fiscal year if the State Board of

1 Equalization determines that a revenue failure has occurred with
2 respect to the General Revenue Fund of the State Treasury. In no
3 event shall the amount of monies appropriated from the
4 Constitutional Reserve Fund pursuant to this paragraph be in excess
5 of the amount of the projected revenue failure in the General
6 Revenue Fund, which total amount shall be computed by the State
7 Board of Equalization, for the entire fiscal year. Monies
8 appropriated to any state governmental entity from the
9 Constitutional Reserve Fund pursuant to this paragraph may only be
10 made in order to ensure that the monies actually received by the
11 entity for the then current fiscal year are equal to or less than,
12 but not in excess of, the total appropriation amount for such entity
13 in effect at the beginning of the then current fiscal year.

14 8. Up to one-quarter (1/4) of the balance at the beginning of
15 the current fiscal year in the Constitutional Reserve Fund may be
16 appropriated, upon a declaration by the Governor that emergency
17 conditions exist, with concurrence of the Legislature by a
18 two-thirds (2/3) vote of the House of Representatives and Senate for
19 the appropriation; or said one-quarter (1/4) could be appropriated
20 upon a joint declaration of emergency conditions by the Speaker of
21 the House of Representatives and the President Pro Tempore of the
22 Senate, with a concurrence of a three-fourths (3/4) vote of the
23 House of Representatives and Senate.

1 9. That portion of every appropriation, at the end of each
2 fiscal year, in excess of actual revenues collected and allocated
3 thereto, as hereinafter provided, shall be null and void. Revenues
4 deposited in the State Treasury to the credit of the General Revenue
5 Fund or of any special fund (which derives its revenue in whole or
6 in part from state taxes or fees) shall, except as to principal and
7 interest on the public debt, be allocated monthly to each
8 department, institution, board, commission or special appropriation
9 on a percentage basis, in that ratio that the total appropriation
10 for such department, institution, board, commission or special
11 appropriation from each fund for that fiscal year bears to the total
12 of all appropriations from each fund for that fiscal year, and no
13 warrant shall be issued in excess of said allocation. Any
14 department, institution or agency of the state operating on revenues
15 derived from any law or laws which allocate the revenues thereof to
16 such department, institution or agency shall not incur obligations
17 in excess of the unencumbered balance of cash on hand. Nothing in
18 this section shall prevent, under such conditions and limitations as
19 shall be prescribed by law, the governing board of an institution of
20 higher education within The Oklahoma State System of Higher
21 Education from contracting with a president of such institution of
22 higher education for periods extending more than one (1) year, but

1 not to exceed three (3) years beyond the fiscal year in which the
2 contract is signed.

3 10. The Legislature shall provide a method whereby
4 appropriations shall be divided and set up on a monthly, quarterly
5 or semiannual basis within each fiscal year to prevent obligations
6 being incurred in excess of the revenue to be collected, and
7 notwithstanding other provisions of this Constitution, the
8 Legislature shall provide that all appropriations shall be reduced
9 to bring them within revenues actually collected, but all such
10 reductions shall apply to each department, institution, board,
11 commission or special appropriation made by the State Legislature in
12 the ratio that its total appropriation for that fiscal year bears to
13 the total of all appropriations from that fund for that fiscal year;
14 provided, however, that the Governor may in his discretion issue
15 deficiency certificates to the State Treasurer for the benefit of
16 any department, institution or agency of the state, if the amount of
17 such deficiency certificates be within the limit of the current
18 appropriation for that department, institution or agency, whereupon
19 the State Treasurer shall issue warrants to the extent of such
20 certificates for the payment of such claims as may be authorized by
21 the Governor, and such warrants shall become a part of the public
22 debt and shall be paid out of any money appropriated by the
23 Legislature and made lawfully available therefor; provided further,

1 that in no event shall said deficiency certificates exceed in the
2 aggregate the sum of Five Hundred Thousand Dollars (\$500,000.00) in
3 any fiscal year.

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

7 BALLOT TITLE

8 Legislative Referendum No. _____ State Question No. _____

9 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

10 This measure amends the State Constitution. It amends Section
11 23 of Article 10. It increases the amount of surplus revenue
12 which goes into a special fund. That fund is the Constitutional
13 Reserve Fund. The amount goes from 10% to 15% of the funds
14 certified as going to the General Revenue Fund for the preceding
15 fiscal year.

16 SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

17 YES, FOR THE AMENDMENT

18 NO, AGAINST THE AMENDMENT

19 SECTION 3. The President Pro Tempore of the Senate shall,
20 immediately after the passage of this resolution, prepare and file
21 one copy thereof, including the Ballot Title set forth in SECTION 2
22 hereof, with the Secretary of State and one copy with the Attorney
23 General.

1 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-22-06 - DO
2 PASS, As Amended and Coauthored.