

THE HOUSE OF REPRESENTATIVES
Tuesday, March 6, 2007

House Joint
Resolution No. 1003

HJR 1003

HOUSE JOINT RESOLUTION NO. 1003 - By: BENGE AND MILLER of the House and CRUTCHFIELD, JOHNSON (MIKE), ADELSON AND MYERS of the Senate.

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 23 of Article X of the Constitution of the State of Oklahoma; modifying certification procedures; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 1ST SESSION OF THE 51ST OKLAHOMA LEGISLATURE:

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

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

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

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

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

17 Legislative appropriations for any fiscal year, except for special appropriations
18 provided for in paragraph 6, 7 or 8 shall be limited to a sum not to exceed the total
19 amount appropriated from all funds in the preceding fiscal year, plus twelve percent
20 (12%), adjusted for inflation for the previous calendar year. Said limit shall be adjusted
21 for funds not previously appropriated. The limit on the growth of appropriations shall be
22 certified to by the State Board of Equalization.

1 2. Such certification shall be filed with the Governor, the President and President
2 Pro Tempore of the Senate, and the Speaker of the House of Representatives. The
3 Legislature shall not pass or enact any bill, act or measure making an appropriation of
4 money for any purpose until such certification is made and filed, unless the State Board
5 of Equalization has failed to file said certification at the time of convening of said
6 Legislature. In such event, it shall be the duty of the Legislature to make such
7 certification pursuant to the provisions of this section. All appropriations made in excess
8 of such certification shall be null and void; provided, however, that the Legislature may
9 at any regular session or special session, called for that purpose, enact laws to provide for
10 additional revenues or a reduction in revenues, other than ad valorem taxes, or
11 transferring the existing revenues or unappropriated cash on hand from one fund to
12 another, or making provisions for appropriating funds not previously appropriated
13 directly by the Legislature. Whereupon, it shall be the duty of the State Board of
14 Equalization to make a determination of the revenues that will accrue under such laws
15 and ninety-five percent (95%) of the amount of any increase or decrease resulting, for any
16 reason, from such changes in laws shall be added to or deducted from the amount
17 previously certified available for appropriation from each respective fund, as the case
18 may be. The State Board of Equalization shall file the amount of such adjusted
19 certification, or additional certification for funds not previously appropriated directly by
20 the Legislature, with the Governor, with the President and President Pro Tempore of the
21 Senate, and the Speaker of the House of Representatives, and such adjusted amount

1 shall be the maximum amount which can be appropriated for all purposes from any such
2 fund for the fiscal year being certified.

3 3. The State Board of Equalization shall meet within five (5) business days after
4 the monthly apportionment in February of each year, and at that time may adjust the
5 certification, based upon the most current information available, and determine the
6 amount of funds available for appropriation for that legislative session. At said meeting
7 the Board shall determine the limit on the growth of appropriations as provided for in
8 this section.

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

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

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

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

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

21 9. That portion of every appropriation, at the end of each fiscal year, in excess of
22 actual revenues collected and allocated thereto, as hereinafter provided, shall be null and

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

17 10. The Legislature shall provide a method whereby appropriations shall be divided
18 and set up on a monthly, quarterly or semiannual basis within each fiscal year to prevent
19 obligations being incurred in excess of the revenue to be collected, and notwithstanding
20 other provisions of this Constitution, the Legislature shall provide that all appropriations
21 shall be reduced to bring them within revenues actually collected, but all such reductions
22 shall apply to each department, institution, board, commission or special appropriation

1 made by the State Legislature in the ratio that its total appropriation for that fiscal year
2 bears to the total of all appropriations from that fund for that fiscal year; provided,
3 however, that the Governor may in his discretion issue deficiency certificates to the State
4 Treasurer for the benefit of any department, institution or agency of the state, if the
5 amount of such deficiency certificates be within the limit of the current appropriation for
6 that department, institution or agency, whereupon the State Treasurer shall issue
7 warrants to the extent of such certificates for the payment of such claims as may be
8 authorized by the Governor, and such warrants shall become a part of the public debt
9 and shall be paid out of any money appropriated by the Legislature and made lawfully
10 available therefor; provided further, that in no event shall said deficiency certificates
11 exceed in the aggregate the sum of Five Hundred Thousand Dollars (\$500,000.00) in any
12 fiscal year.

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

15 BALLOT TITLE

16 Legislative Referendum No. ____ State Question No. ____

17 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

18 This measure amends the Oklahoma Constitution. It amends Section 23 of Article
19 10. It changes the determination of when revenue certification will occur. It
20 changes the number of days after the February monthly revenue apportionment in
21 which the State Board of Equalization must meet from five (5) days to five (5)
22 business days.

1 SHALL THE PROPOSAL BE APPROVED?

2 FOR THE PROPOSAL — YES _____

3 AGAINST THE PROPOSAL — NO _____

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

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
9 dated 03-05-07 - DO PASS.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.