

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE JOINT  
4 RESOLUTION 1069

By: Kiesel

5  
6 AS INTRODUCED

7 A Joint Resolution directing the Secretary of State  
8 to refer to the people for their approval or  
9 rejection proposed amendments to Section 26 of  
10 Article V and Section 23 of Article X of the  
11 Constitution of the State of Oklahoma; modifying  
12 provisions related to appropriation of public money;  
13 prescribing procedures for consideration of  
14 legislation appropriating money; providing exception;  
15 modifying references to certain fiscal periods;  
16 providing ballot title; and directing filing.

17 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
18 1ST SESSION OF THE 51ST OKLAHOMA LEGISLATURE:

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

24 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

1 adjourned sine die not later than five o'clock p.m. on the last  
2 Friday in May of each year.

3 B. The Legislature shall also meet in regular session at the  
4 seat of government on the first Tuesday after the first Monday in  
5 January of each odd numbered year, beginning at twelve o'clock noon  
6 for the purposes only of performing the duties as required by  
7 Section 5 of Article VI of the Constitution and organizing pursuant  
8 to the provisions of this Article and shall recess not later than  
9 five o'clock p.m. of that same day until the following first Monday  
10 in February of the same year, beginning at twelve o'clock noon.

11 C. During each odd-numbered year, the Legislature may only  
12 consider measures for the appropriation of revenue to fund the  
13 expenses of the executive, legislative and judicial departments of  
14 the state, for the payment of interest on the public debt, and such  
15 other appropriations as may be authorized by the Oklahoma  
16 Constitution. The measures authorized by this subsection shall  
17 provide for such expenses or such interest or both for a period of  
18 two (2) fiscal years. The Legislature may provide for the  
19 appropriations to be specific to each fiscal year during the two-  
20 year fiscal period or may provide a total sum which includes the  
21 appropriation amount for the entire two-year fiscal period.

22 D. During each even-numbered year, the Legislature may consider  
23 measures for the enactment of new law, the amendment or repeal of  
24 existing law, referenda for modifications to the Oklahoma

1 Constitution and such measures not having the force or effect of law  
2 as may be provided by the rules of the respective chambers of the  
3 Legislature.

4 E. Upon a declaration by the Governor of an emergency and upon  
5 an affirmative vote of two-thirds (2/3) of the members of each  
6 chamber of the Legislature, the types of measures enumerated in  
7 subsection C of this section may be considered and passed during an  
8 even-numbered year.

9 F. Upon a declaration by the Governor of an emergency and upon  
10 an affirmative vote of two-thirds (2/3) of the members of each  
11 chamber of the Legislature, the types of measures enumerated in  
12 subsection D of this section may be considered and passed during an  
13 odd-numbered year.

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

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

23 1. Not more than ~~forty-five (45)~~ seventy-five (75) days or less  
24 than ~~thirty-five (35)~~ sixty-five (65) days prior to the ~~convening of~~

1 ~~each regular session of the Legislature~~ first Monday in February in  
2 each odd-numbered year, the State Board of Equalization shall  
3 certify the total amount of revenue which accrued during the ~~last~~  
4 two (2) preceding fiscal year years to the General Revenue Fund and  
5 to each Special Revenue Fund appropriated directly by the  
6 Legislature, and shall further certify amounts available for  
7 appropriation which shall be based on a determination, in accordance  
8 with the procedure hereinafter provided, of the revenues to be  
9 received by the state under the laws in effect at the time such  
10 determination is made, for the next ensuing two (2) fiscal year  
11 years, showing separately the revenues to accrue to the credit of  
12 each such fund of the state appropriated directly by the  
13 Legislature.

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

22 Legislative appropriations for any two-year fiscal year period,  
23 except for special appropriations provided for in paragraph 6, 7 or  
24 8 shall be limited to a sum not to exceed the total amount

1 appropriated from all funds in the preceding two-year fiscal ~~year~~  
2 period, plus twelve percent (12%), adjusted for inflation for the  
3 two (2) previous calendar ~~year~~ years. Said limit shall be adjusted  
4 for funds not previously appropriated. The limit on the growth of  
5 appropriations shall be certified to by the State Board of  
6 Equalization.

7       2. Such certification shall be filed with the Governor, the  
8 President and President Pro Tempore of the Senate, and the Speaker  
9 of the House of Representatives. The Legislature shall not pass or  
10 enact any bill, act or measure making an appropriation of money for  
11 any purpose until such certification is made and filed, unless the  
12 State Board of Equalization has failed to file said certification at  
13 the time of convening of said Legislature. In such event, it shall  
14 be the duty of the Legislature to make such certification pursuant  
15 to the provisions of this section. All appropriations made in  
16 excess of such certification shall be null and void; provided,  
17 however, that the Legislature may at any regular session or special  
18 session, called for that purpose, enact laws to provide for  
19 additional revenues or a reduction in revenues, other than ad  
20 valorem taxes, or transferring the existing revenues or  
21 unappropriated cash on hand from one fund to another, or making  
22 provisions for appropriating funds not previously appropriated  
23 directly by the Legislature. Whereupon, it shall be the duty of the  
24 State Board of Equalization to make a determination of the revenues

1 that will accrue under such laws and ninety-five percent (95%) of  
2 the amount of any increase or decrease resulting, for any reason,  
3 from such changes in laws shall be added to or deducted from the  
4 amount previously certified available for appropriation from each  
5 respective fund, as the case may be. The State Board of  
6 Equalization shall file the amount of such adjusted certification,  
7 or additional certification for funds not previously appropriated  
8 directly by the Legislature, with the Governor, with the President  
9 and President Pro Tempore of the Senate, and the Speaker of the  
10 House of Representatives, and such adjusted amount shall be the  
11 maximum amount which can be appropriated for all purposes from any  
12 such fund for the fiscal ~~year~~ period being certified.

13 3. The State Board of Equalization shall meet within ~~five (5)~~  
14 ten (10) days after the monthly apportionment in February of each  
15 odd-numbered year, and at that time may adjust the certification,  
16 based upon the most current information available, and determine the  
17 amount of funds available for appropriation for ~~that legislative~~  
18 ~~session~~ the ensuing two (2) fiscal years. At said meeting the Board  
19 shall determine the limit on the growth of appropriations as  
20 provided for in this section.

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

24

1           5. Beginning July 1, ~~1985~~ 2010, all such surplus funds or  
2 monies accruing after said date shall be placed in a Constitutional  
3 Reserve Fund by the State Treasurer until such time that the amount  
4 of said Fund equals ten percent (10%) of the General Revenue Fund  
5 certification for the preceding fiscal ~~year~~ period. Appropriations  
6 made from said Fund shall be considered special appropriations.

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

19           b. (1) In years when the provisions of subparagraph a of  
20 this paragraph are not applicable and the balance  
21 at the beginning of the current fiscal year in  
22 the Constitutional Reserve Fund is equal to or  
23 greater than Eighty Million Dollars  
24           (\$80,000,000.00), up to Ten Million Dollars

1 (\$10,000,000.00) may be expended for the purpose  
2 of providing incentives to support retention of  
3 at-risk manufacturing establishments in this  
4 state in order to retain employment for residents  
5 of this state. Such incentives shall be paid by  
6 the Oklahoma Tax Commission upon a unanimous  
7 finding by the Governor, the Speaker of the House  
8 of Representatives and the President Pro Tempore  
9 of the Senate that:

- 10 (a) such incentives have been recommended by an  
11 independent committee created by the  
12 Legislature for such purposes as provided  
13 herein pursuant to criteria set out by law,  
14 (b) the incentive will result in a substantial  
15 benefit to this state, and  
16 (c) payment of the incentive would be in  
17 accordance with the provisions of this  
18 subparagraph and laws enacted to implement  
19 provisions of this subparagraph.

- 20 (2) The independent committee will be composed of not  
21 less than seven (7) people appointed or otherwise  
22 determined pursuant to laws enacted by the  
23 Legislature providing for membership on the  
24 committee. The committee shall make

1 recommendations to the Governor, the Speaker of  
2 the House of Representatives and the President  
3 Pro Tempore of the Senate for the awarding of  
4 incentives. Such recommendations shall give  
5 priority to establishments which:

- 6 (a) are at greater risk of losing jobs because  
7 the plant is no longer competitive or  
8 leaving the state and thereby causing the  
9 loss of more employment in this state than  
10 other eligible recipients, and
- 11 (b) provide the largest economic impact to the  
12 state.

- 13 (3) For any fiscal year, the incentives shall not  
14 exceed ten percent (10%) of the amount invested  
15 by an establishment in capital assets to be  
16 utilized in this state. Incentives may only be  
17 paid pursuant to an investment contract between  
18 the establishment and a state agency designated  
19 by law, which provides for a specified amount of  
20 investment in a capital asset to be made by the  
21 establishment over a period of not to exceed five  
22 (5) years. No incentive payment shall be made  
23 prior to the actual investment by the  
24 establishment. The contract shall make payment

1 of any incentives in any fiscal year contingent  
2 on the balance at the beginning of such fiscal  
3 year in the Constitutional Reserve Fund being  
4 equal to or greater than Eighty Million Dollars  
5 (\$80,000,000.00) and on the certification by the  
6 State Board of Equalization for such fiscal year  
7 of the amount available for appropriation from  
8 the General Revenue Fund being greater than the  
9 amount certified for the preceding fiscal year.  
10 Investment contracts authorized by this  
11 subparagraph shall provide that if any incentive  
12 payment is payable during a fiscal year in which  
13 either the balance at the beginning of the fiscal  
14 year in the Constitutional Reserve Fund is not  
15 equal to or greater than Eighty Million Dollars  
16 (\$80,000,000.00) or when the certification by the  
17 State Board of Equalization for such fiscal year  
18 General Revenue Fund is less than that of the  
19 immediately prior fiscal year certification, then  
20 any incentive payments which would have been  
21 payable during such fiscal year shall be payable  
22 in the first fiscal year when funds are available  
23 pursuant to the provisions of division (1) of  
24 this subparagraph. In the event that the amount

1 of incentives payable under investment contracts  
2 authorized by this subparagraph is greater than  
3 the amounts available for payment under this  
4 subparagraph in a fiscal year, then no new  
5 contracts may be authorized during such year and  
6 incentive payments which are made shall be  
7 reduced pro rata as necessary to apply all  
8 available funds to incentive payments which are  
9 payable in such year.

10 (4) The Legislature is authorized to enact laws  
11 necessary to implement the provisions of this  
12 section.

13 7. Up to three-eighths (3/8) of the balance at the beginning of  
14 the current fiscal ~~year~~ period in the Constitutional Reserve Fund  
15 may be appropriated for the current fiscal ~~year~~ period if the State  
16 Board of Equalization determines that a revenue failure has occurred  
17 with respect to the General Revenue Fund of the State Treasury. In  
18 no event shall the amount of monies appropriated from the  
19 Constitutional Reserve Fund pursuant to this paragraph be in excess  
20 of the amount of the projected revenue failure in the General  
21 Revenue Fund, which total amount shall be computed by the State  
22 Board of Equalization, for the entire fiscal ~~year~~ period. Monies  
23 appropriated to any state governmental entity from the  
24 Constitutional Reserve Fund pursuant to this paragraph may only be

1 made in order to ensure that the monies actually received by the  
2 entity for the then current fiscal ~~year~~ period are equal to or less  
3 than, but not in excess of, the total appropriation amount for such  
4 entity in effect at the beginning of the then current fiscal ~~year~~  
5 period.

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

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

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

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

1 the ratio that its total appropriation for that fiscal ~~year~~ period  
2 bears to the total of all appropriations from that fund for that  
3 fiscal ~~year~~ period; provided, however, that the Governor may in his  
4 discretion issue deficiency certificates to the State Treasurer for  
5 the benefit of any department, institution or agency of the state,  
6 if the amount of such deficiency certificates be within the limit of  
7 the current appropriation for that department, institution or  
8 agency, whereupon the State Treasurer shall issue warrants to the  
9 extent of such certificates for the payment of such claims as may be  
10 authorized by the Governor, and such warrants shall become a part of  
11 the public debt and shall be paid out of any money appropriated by  
12 the Legislature and made lawfully available therefor; provided  
13 further, that in no event shall said deficiency certificates exceed  
14 in the aggregate the sum of ~~Five Hundred Thousand Dollars~~  
15 ~~(\$500,000.00)~~ One Million Dollars (\$1,000,000.00) in any fiscal ~~year~~  
16 period.

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

20 BALLOT TITLE

21 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

22 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

23 This measure amends the Oklahoma Constitution. It amends

24 Section 26 of Article 5 and Section 23 of Article 10. It would

1 change the way the Legislature prepares the state budget. The  
2 Legislature could prepare the budget in odd-numbered years. The  
3 budget would be written for two full fiscal years. The  
4 Legislature could consider all other types of legislation in  
5 even-numbered years. If the Governor declared an emergency,  
6 then the Legislature could do one of two things. The  
7 Legislature could consider something besides spending bills in  
8 an odd-numbered year. The Legislature could consider spending  
9 bills in an even-numbered year. In order to do this, the bills  
10 would have to be approved by two-thirds (2/3) of the members of  
11 both the House and Senate. The method used to predict the  
12 amount of revenue needed to fund a two-year budget would change.  
13 The method used to control the deposit of money into the  
14 Constitutional Reserve Fund would change. This fund is also  
15 known as the Rainy Day Fund. References to appropriations for  
16 one fiscal year are changed to a two-year fiscal period.

17 SHALL THE PROPOSAL BE APPROVED?

18 FOR THE PROPOSAL - YES \_\_\_\_\_

19 AGAINST THE PROPOSAL - NO \_\_\_\_\_

20 SECTION 3. The Chief Clerk of the House of Representatives,  
21 immediately after the passage of this resolution, shall prepare and  
22 file one copy thereof, including the Ballot Title set forth in  
23  
24

1 SECTION 2 hereof, with the Secretary of State and one copy with the  
2 Attorney General.

3

4 51-2-8724 MAH 01/14/08

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24