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THE STATE SENATE  
Monday, February 22, 2010

Senate Joint  
Resolution No. 51  
As Amended

SENATE JOINT RESOLUTION NO. 51 - By: Johnson (Mike) of the Senate  
and Miller of the House.

[ Joint Resolution - modifying percentage of surplus funds -  
deleting language - providing ballot title - directing  
filing ]

BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE  
2ND SESSION OF THE 52ND 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  
Oklahoma Constitution 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~~ 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%)~~ twenty percent (20%) 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. a. Up to three-eighths (3/8) of the balance at the  
14 beginning of the current fiscal year in the  
15 Constitutional Reserve Fund may be appropriated for  
16 the forthcoming fiscal year, when the certification by  
17 the State Board of Equalization for said forthcoming  
18 fiscal year General Revenue Fund is less than that of  
19 the current fiscal year certification. In no event  
20 shall the amount of monies appropriated from the  
21 Constitutional Reserve Fund be in excess of the  
22 difference between the two said certifications.



1                   subparagraph and laws enacted to implement  
2                   provisions of this subparagraph.

3                   (2) The independent committee will be composed of not  
4                   less than seven (7) people appointed or otherwise  
5                   determined pursuant to laws enacted by the  
6                   Legislature providing for membership on the  
7                   committee. The committee shall make  
8                   recommendations to the Governor, the Speaker of  
9                   the House of Representatives and the President  
10                  Pro Tempore of the Senate for the awarding of  
11                  incentives. Such recommendations shall give  
12                  priority to establishments which:

13                  (a) are at greater risk of losing jobs because  
14                  the plant is no longer competitive or  
15                  leaving the state and thereby causing the  
16                  loss of more employment in this state than  
17                  other eligible recipients, and

18                  (b) provide the largest economic impact to the  
19                  state.

20                  (3) For any fiscal year, the incentives shall not  
21                  exceed ten percent (10%) of the amount invested  
22                  by an establishment in capital assets to be  
23                  utilized in this state. Incentives may only be

1           paid pursuant to an investment contract between  
2           the establishment and a state agency designated  
3           by law, which provides for a specified amount of  
4           investment in a capital asset to be made by the  
5           establishment over a period of not to exceed five  
6           (5) years. No incentive payment shall be made  
7           prior to the actual investment by the  
8           establishment. The contract shall make payment  
9           of any incentives in any fiscal year contingent  
10          on the balance at the beginning of such fiscal  
11          year in the Constitutional Reserve Fund being  
12          equal to or greater than Eighty Million Dollars  
13          (\$80,000,000.00) and on the certification by the  
14          State Board of Equalization for such fiscal year  
15          of the amount available for appropriation from  
16          the General Revenue Fund being greater than the  
17          amount certified for the preceding fiscal year.  
18          Investment contracts authorized by this  
19          subparagraph shall provide that if any incentive  
20          payment is payable during a fiscal year in which  
21          either the balance at the beginning of the fiscal  
22          year in the Constitutional Reserve Fund is not  
23          equal to or greater than Eighty Million Dollars

1 (\$80,000,000.00) or when the certification by the  
2 State Board of Equalization for such fiscal year  
3 General Revenue Fund is less than that of the  
4 immediately prior fiscal year certification, then  
5 any incentive payments which would have been  
6 payable during such fiscal year shall be payable  
7 in the first fiscal year when funds are available  
8 pursuant to the provisions of division (1) of  
9 this subparagraph. In the event that the amount  
10 of incentives payable under investment contracts  
11 authorized by this subparagraph is greater than  
12 the amounts available for payment under this  
13 subparagraph in a fiscal year, then no new  
14 contracts may be authorized during such year and  
15 incentive payments which are made shall be  
16 reduced pro rata as necessary to apply all  
17 available funds to incentive payments which are  
18 payable in such year.

19 (4) The Legislature is authorized to enact laws  
20 necessary to implement the provisions of this  
21 section.

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

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

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

1 Senate, with a concurrence of a three-fourths (3/4) vote of the  
2 House of Representatives and Senate.

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

1 higher education for periods extending more than one (1) year, but  
2 not to exceed three (3) years beyond the fiscal year in which the  
3 contract is signed.

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

1 the Legislature and made lawfully available therefor; provided  
2 further, that in no event shall said deficiency certificates exceed  
3 in the aggregate the sum of Five Hundred Thousand Dollars  
4 (\$500,000.00) in any fiscal year.

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

8 BALLOT TITLE  
9 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

10 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

11 This measure amends the State Constitution. It amends Section  
12 23 of Article 10. It increases the amount of surplus revenue  
13 which goes into a special fund. That fund is the Constitutional  
14 Reserve Fund. The amount would go from 10% to 20% of the funds  
15 certified as going to the General Revenue fund for the preceding  
16 fiscal year.

17 SHALL THE PROPOSAL BE APPROVED?

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

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

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

1 hereof, with the Secretary of State and one copy with the Attorney  
2 General.  
3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-10-10 - DO  
4 PASS, As Amended and Coauthored.