

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 54th Legislature (2014)

4 HOUSE JOINT
5 RESOLUTION 1077

By: O'Donnell

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8 AS INTRODUCED

9 A Joint Resolution directing the Secretary of State
10 to refer to the people for their approval or
11 rejection proposed amendments to Section 26 of
12 Article V and Section 23 of Article X of the
13 Constitution of the State of Oklahoma; restricting
14 ability of Legislature to consider certain types of
15 measures during odd-numbered years; requiring
16 consideration of appropriation measures during odd-
17 numbered years; providing for expenses during two-
18 year period; authorizing Legislature to consider
19 certain types of measures during even-numbered years;
20 authorizing consideration of certain types of
21 measures during odd-numbered years based upon certain
22 vote; modifying provisions related to preparation of
23 annual state budget; modifying certification
24 procedures for revenue available for appropriation;
 providing for two-year fiscal period; authorizing
 procedure with respect to Constitutional Reserve
 Fund; providing an effective date; providing ballot
 title; and directing filing.

21 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
22 2ND SESSION OF THE 54TH OKLAHOMA LEGISLATURE:

23 SECTION 1. The Secretary of State shall refer to the people for
24 their approval or rejection, as and in the manner provided by law,

1 the following proposed amendment to Section 26 of Article V and
2 Section 23 of Article X of the Constitution of the State of Oklahoma
3 to read as follows:

4 Section 26. A. The Legislature shall meet in regular session
5 at the seat of government at twelve o'clock noon on the first Monday
6 in February of each year and the regular session shall be finally
7 adjourned sine die not later than five o'clock p.m. on the last
8 Friday in May of each year.

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

17 C. During each odd-numbered year, the Legislature may only
18 consider measures for the appropriation of revenue to fund the
19 expenses of the executive, legislative, and judicial departments of
20 the state, for the payment of interest on the public debt, and such
21 other appropriations as may be authorized by the Oklahoma
22 Constitution. The measures authorized by this subsection shall
23 provide for such expenses or such interest or both for a period of
24 two (2) fiscal years. The Legislature may provide for the

1 appropriations to be specific to each fiscal year during the two-
2 year fiscal period or may provide a total sum which includes the
3 appropriation amount for the entire two-year fiscal period.

4 D. During each even-numbered year, the Legislature may consider
5 measures for the enactment of new law, the amendment or repeal of
6 existing law, referenda for modifications to the Oklahoma
7 Constitution and such measures not having the force or effect of law
8 as may be provided by the rules of the respective chambers of the
9 Legislature.

10 E. Except as otherwise provided by this section, the
11 Legislature shall not consider measures appropriating revenue to any
12 entity of the executive, judicial, or legislative branch of
13 government during an even-numbered year.

14 F. Upon an affirmative vote of three-fourths (3/4) of the
15 members of each chamber of the Legislature, the types of measures
16 enumerated in subsection D of this section may be introduced and
17 considered during an odd-numbered year.

18 G. The changes made to this section pursuant to this amendment
19 shall become effective January 1, 2015.

20 Section 23. The state shall never create or authorize the
21 creation of any debt or obligation, or fund or pay any deficit,
22 against the state, or any department, institution or agency thereof,
23 regardless of its form or the source of money from which it is to be
24

1 paid, except as may be provided in this section and in Sections 24
2 and 25 of Article X of the Constitution of the State of Oklahoma.

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

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

20 Amounts certified as available for appropriation from each fund,
21 as hereinbefore provided, shall be ninety-five percent (95%) of an
22 itemized estimate made by the State Board of Equalization, which
23 shall include all sources of revenue to each fund for the next two
24 (2) ensuing fiscal ~~year~~ years; provided, however, appropriated

1 federal funds shall be certified for the full amount of the
2 estimate. Said estimate shall consider any increase or decline in
3 revenues that would result from predictable changes in the economy.

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

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

1 other than ad valorem taxes, or transferring the existing revenues
2 or 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 odd-
20 numbered year, and at that time may adjust the certification, based
21 upon the most current information available, and determine the
22 amount of funds available for appropriation for ~~that legislative~~
23 ~~session~~ the ensuing two (2) fiscal years. At said meeting the Board
24

1 shall determine the limit on the growth of appropriations as
2 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. All such surplus funds or monies shall be placed in a
7 Constitutional Reserve Fund by the State Treasurer until such time
8 that the amount of said Fund equals fifteen percent (15%) of the
9 General Revenue Fund certification for the preceding fiscal year.
10 Appropriations made from said Fund shall be considered special
11 appropriations.

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

24

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 two-year fiscal ~~year~~ period, the
21 incentives shall not exceed ten percent (10%) of
22 the amount invested by an establishment in
23 capital assets to be utilized in this state.

24 Incentives may only be paid pursuant to an

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

19 Investment contracts authorized by this
20 subparagraph shall provide that if any incentive
21 payment is payable during a two-year fiscal ~~year~~
22 period in which either the balance at the
23 beginning of the two-year fiscal ~~year~~ period in
24 the Constitutional Reserve Fund is not equal to

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

1 (4) The Legislature is authorized to enact laws
2 necessary to implement the provisions of this
3 section.

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

20 8. Up to one-quarter (1/4) of the balance at the beginning of
21 ~~the~~ any current fiscal year in the Constitutional Reserve Fund may
22 be appropriated, upon a declaration by the Governor that emergency
23 conditions exist, with concurrence of the Legislature by a
24 two-thirds (2/3) vote of the House of Representatives and Senate for

1 the appropriation; or said one-quarter (1/4) could be appropriated
2 upon a joint declaration of emergency conditions by the Speaker of
3 the House of Representatives and the President Pro Tempore of the
4 Senate, with a concurrence of a three-fourths (3/4) vote of the
5 House of Representatives and Senate. For purposes of this
6 paragraph, the Legislature may provide for a distribution of monies
7 from the Constitutional Reserve Fund between each of the two (2)
8 fiscal years for which it makes appropriation of funds pursuant to
9 Section 26 of Article V of the Oklahoma Constitution.

10 9. That portion of every appropriation, at the end of each two-
11 year fiscal ~~year~~ period, in excess of actual revenues collected and
12 allocated thereto, as hereinafter provided, shall be null and void.
13 Revenues deposited in the State Treasury to the credit of the
14 General Revenue Fund or of any special fund (which derives its
15 revenue in whole or in part from state taxes or fees) shall, except
16 as to principal and interest on the public debt, be allocated
17 monthly to each department, institution, board, commission or
18 special appropriation on a percentage basis, in that ratio that the
19 total appropriation for such department, institution, board,
20 commission or special appropriation from each fund for that two-year
21 fiscal ~~year~~ period bears to the total of all appropriations from
22 each fund for that two-year fiscal ~~year~~ period, and no warrant shall
23 be issued in excess of said allocation. Any department, institution
24 or agency of the state operating on revenues derived from any law or

1 laws which allocate the revenues thereof to such department,
2 institution or agency shall not incur obligations in excess of the
3 unencumbered balance of cash on hand. Nothing in this section shall
4 prevent, under such conditions and limitations as shall be
5 prescribed by law, the governing board of an institution of higher
6 education within The Oklahoma State System of Higher Education from
7 contracting with a president of such institution of higher education
8 for periods extending more than one (1) year, but not to exceed
9 three (3) years beyond the fiscal year in which the contract is
10 signed.

11 10. The Legislature shall provide a method whereby
12 appropriations shall be divided and set up on a monthly, quarterly
13 or semiannual basis within each two-year fiscal ~~year~~ period to
14 prevent obligations being incurred in excess of the revenue to be
15 collected, and notwithstanding other provisions of this
16 Constitution, the Legislature shall provide that all appropriations
17 shall be reduced to bring them within revenues actually collected,
18 but all such reductions shall apply to each department, institution,
19 board, commission or special appropriation made by the State
20 Legislature in the ratio that its total appropriation for that two-
21 year fiscal ~~year~~ period bears to the total of all appropriations
22 from that fund for that two-year fiscal ~~year~~ period; provided,
23 however, that the Governor shall have discretion to issue deficiency
24 certificates to the State Treasurer for the benefit of any

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

12 The changes made to this section pursuant to this amendment
13 shall become effective January 1, 2015.

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

17 BALLLOT TITLE
18 Legislative Referendum No. _____ State Question No. _____

19 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

20 This measure amends the Oklahoma Constitution. It amends
21 Section 26 of Article 5 and Section 23 of Article 10. It would
22 change the way the Legislature prepares the state budget. The
23 Legislature could only prepare the budget in odd-numbered years.
24 The budget would be written for two full fiscal years. The

1 Legislature could consider all other types of legislation in
2 even-numbered years. The Legislature, by 3/4 vote of each
3 chamber, could consider nonappropriation measures in odd-
4 numbered years. Other provisions of the Oklahoma Constitution
5 would be changed to provide for certification of funds by the
6 State Board of Equalization. References to appropriations for
7 one fiscal year are changed to a two-year fiscal period. This
8 amendment would become effective on January 1, 2015.

9 SHALL THE PROPOSAL BE APPROVED?

10 FOR THE PROPOSAL - YES _____

11 AGAINST THE PROPOSAL - NO _____

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

17
18 COMMITTEE REPORT BY: COMMITTEE ON ADMINISTRATIVE RULES, GOVERNMENT
19 OVERSIGHT AND REPEALER, dated 02/27/2014 - DO PASS.
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