

1 STATE OF OKLAHOMA

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

3 HOUSE JOINT  
4 RESOLUTION 1077

By: O'Donnell

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6  
7 AS INTRODUCED

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

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
2ND SESSION OF THE 54TH 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 26 of Article V and

1 Section 23 of Article X of the Constitution of the State of Oklahoma  
2 to read as follows:

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

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

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

1 year fiscal period or may provide a total sum which includes the  
2 appropriation amount for the entire two-year fiscal period.

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

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

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

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

19 Section 23. The state shall never create or authorize the  
20 creation of any debt or obligation, or fund or pay any deficit,  
21 against the state, or any department, institution or agency thereof,  
22 regardless of its form or the source of money from which it is to be  
23 paid, except as may be provided in this section and in Sections 24  
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 first Monday in February in each odd-numbered year, the  
7 State Board of Equalization shall certify the total amount of  
8 revenue which accrued during the ~~last~~ two (2) preceding fiscal ~~year~~  
9 years to the General Revenue Fund and to each Special Revenue Fund  
10 appropriated directly by the Legislature, and shall further certify  
11 amounts available for appropriation which shall be based on a  
12 determination, in accordance with the procedure hereinafter  
13 provided, of the revenues to be received by the state under the laws  
14 in effect at the time such determination is made, for the next  
15 ensuing two (2) fiscal ~~year~~ years, showing separately the revenues  
16 to accrue to the credit of each such fund of the state appropriated  
17 directly by the Legislature.

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

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

3 Legislative appropriations for any two-year fiscal ~~year~~ period,  
4 except for special appropriations provided for in paragraph 6, 7 or  
5 8 shall be limited to a sum not to exceed the total amount  
6 appropriated from all funds in the preceding two-year fiscal ~~year~~  
7 period, plus twelve percent (12%), adjusted for inflation for the  
8 previous calendar year. Said limit shall be adjusted for funds not  
9 previously appropriated. The limit on the growth of appropriations  
10 shall be certified to by the State 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~~ the even-numbered year  
22 regular session or a special session, called for that purpose, enact  
23 laws to provide for additional revenues or a reduction in revenues,  
24 other than ad valorem taxes, or transferring the existing revenues

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

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

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

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

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

22 b. (1) In years when the provisions of subparagraph a of  
23 this paragraph are not applicable and the balance  
24 at the beginning of the current fiscal year in

1 the Constitutional Reserve Fund is equal to or  
2 greater than Eighty Million Dollars  
3 (\$80,000,000.00), up to Ten Million Dollars  
4 (\$10,000,000.00) may be expended for the purpose  
5 of providing incentives to support retention of  
6 at-risk manufacturing establishments in this  
7 state in order to retain employment for residents  
8 of this state. Such incentives shall be paid by  
9 the Oklahoma Tax Commission upon a unanimous  
10 finding by the Governor, the Speaker of the House  
11 of Representatives and the President Pro Tempore  
12 of the Senate that:

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

- 23 (2) The independent committee will be composed of not  
24 less than seven (7) people appointed or otherwise

1 determined pursuant to laws enacted by the  
2 Legislature providing for membership on the  
3 committee. The committee shall make  
4 recommendations to the Governor, the Speaker of  
5 the House of Representatives and the President  
6 Pro Tempore of the Senate for the awarding of  
7 incentives. Such recommendations shall give  
8 priority to establishments which:

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

- 16 (3) For any two-year fiscal ~~year~~ period, the  
17 incentives shall not exceed ten percent (10%) of  
18 the amount invested by an establishment in  
19 capital assets to be utilized in this state.  
20 Incentives may only be paid pursuant to an  
21 investment contract between the establishment and  
22 a state agency designated by law, which provides  
23 for a specified amount of investment in a capital  
24 asset to be made by the establishment over a

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

15 Investment contracts authorized by this  
16 subparagraph shall provide that if any incentive  
17 payment is payable during a two-year fiscal ~~year~~  
18 period in which either the balance at the  
19 beginning of the two-year fiscal ~~year~~ period in  
20 the Constitutional Reserve Fund is not equal to  
21 or greater than Eighty Million Dollars  
22 (\$80,000,000.00) or when the certification by the  
23 State Board of Equalization for such two-year  
24 fiscal ~~year~~ period of the amount which is

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

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~~ any current fiscal year in the Constitutional Reserve Fund may  
24 be 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~~ any current fiscal year in the Constitutional Reserve Fund may  
16 be 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. For purposes of this  
24 paragraph, the Legislature may provide for a distribution of monies

1 from the Constitutional Reserve Fund between each of the two (2)  
2 fiscal years for which it makes appropriation of funds pursuant to  
3 Section 26 of Article V of the Oklahoma Constitution.

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

1 contracting with a president of such institution of higher education  
2 for periods extending more than one (1) year, but not to exceed  
3 three (3) years beyond the fiscal year in which the contract is  
4 signed.

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

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

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

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

11 BALLOT TITLE

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

13 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

14 This measure amends the Oklahoma Constitution. It amends  
15 Section 26 of Article 5 and Section 23 of Article 10. It would  
16 change the way the Legislature prepares the state budget. The  
17 Legislature could only prepare the budget in odd-numbered years.  
18 The budget would be written for two full fiscal years. The  
19 Legislature could consider all other types of legislation in  
20 even-numbered years. The Legislature, by 3/4 vote of each  
21 chamber, could consider nonappropriation measures in odd-  
22 numbered years. Other provisions of the Oklahoma Constitution  
23 would be changed to provide for certification of funds by the  
24 State Board of Equalization. References to appropriations for

1 one fiscal year are changed to a two-year fiscal period. This  
2 amendment would become effective on January 1, 2015.

3 SHALL THE PROPOSAL BE APPROVED?

4 FOR THE PROPOSAL - YES \_\_\_\_\_

5 AGAINST THE PROPOSAL - NO \_\_\_\_\_

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

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12 54-2-8460 SD 12/27/13  
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