

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 54th Legislature (2013)

4   HOUSE JOINT  
5   RESOLUTION 1003

                              By: Grau of the House

                                                      and

                                                      Holt of the Senate

6  
7  
8  
9                               AS INTRODUCED

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

23   BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
24   1ST SESSION OF THE 54TH OKLAHOMA LEGISLATURE:

1       SECTION 1. The Secretary of State shall refer to the people for  
2 their approval or rejection, as and in the manner provided by law,  
3 the following proposed amendment to Section 26 of Article V and  
4 Section 23 of Article X of the Constitution of the State of Oklahoma  
5 to read as follows:

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

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

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

1 provide for such expenses or such interest or both for a period of  
2 two (2) fiscal years. The Legislature may provide for the  
3 appropriations to be specific to each fiscal year during the two-  
4 year fiscal period or may provide a total sum which includes the  
5 appropriation amount for the entire two-year fiscal period.

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

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

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

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

22 Section 23. The state shall never create or authorize the  
23 creation of any debt or obligation, or fund or pay any deficit,  
24 against the state, or any department, institution or agency thereof,

1 regardless of its form or the source of money from which it is to be  
2 paid, except as may be provided in this section and in Sections 24  
3 and 25 of Article X of the Constitution of the State of Oklahoma.

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

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

21 Amounts certified as available for appropriation from each fund,  
22 as hereinbefore provided, shall be ninety-five percent (95%) of an  
23 itemized estimate made by the State Board of Equalization, which  
24 shall include all sources of revenue to each fund for each of the

1 next two (2) ensuing fiscal ~~year~~ years; provided, however,  
2 appropriated federal funds shall be certified for the full amount of  
3 the estimate. Said estimate shall consider any increase or decline  
4 in revenues that would result from predictable changes in the  
5 economy.

6 Legislative appropriations for any two-year fiscal ~~year~~ period,  
7 except for special appropriations provided for in paragraph 6, 7 or  
8 shall be limited to a sum not to exceed the total amount  
9 appropriated from all funds in the preceding two-year fiscal ~~year~~  
10 period, plus twelve percent (12%), adjusted for inflation for the  
11 previous two (2) calendar ~~year~~ years. Said limit shall be adjusted  
12 for funds not previously appropriated. The limit on the growth of  
13 appropriations shall be certified to by the State Board of  
14 Equalization.

15 2. Such certification shall be filed with the Governor, the  
16 President and President Pro Tempore of the Senate, and the Speaker  
17 of the House of Representatives. The Legislature shall not pass or  
18 enact any bill, act or measure making an appropriation of money for  
19 any purpose until such certification is made and filed, unless the  
20 State Board of Equalization has failed to file said certification at  
21 the time of convening of said Legislature. In such event, it shall  
22 be the duty of the Legislature to make such certification pursuant  
23 to the provisions of this section. All appropriations made in  
24 excess of such certification shall be null and void; provided,

1 however, that the Legislature may at any ~~regular~~ session held in an  
2 odd-numbered year or in any special session, called for that  
3 purpose, enact laws to provide for additional revenues or a  
4 reduction in revenues, other than ad valorem taxes, or transferring  
5 the existing revenues or unappropriated cash on hand from one fund  
6 to another, or making provisions for appropriating funds not  
7 previously appropriated directly by the Legislature. Whereupon, it  
8 shall be the duty of the State Board of Equalization to make a  
9 determination of the revenues that will accrue under such laws and  
10 ninety-five percent (95%) of the amount of any increase or decrease  
11 resulting, for any reason, from such changes in laws shall be added  
12 to or deducted from the amount previously certified available for  
13 appropriation from each respective fund, as the case may be. The  
14 State Board of Equalization shall file the amount of such adjusted  
15 certification, or additional certification for funds not previously  
16 appropriated directly by the Legislature, with the Governor, with  
17 the President and President Pro Tempore of the Senate, and the  
18 Speaker of the House of Representatives, and such adjusted amount  
19 shall be the maximum amount which can be appropriated for all  
20 purposes from any such fund for the fiscal ~~year~~ period being  
21 certified.

22 3. The State Board of Equalization shall meet within five (5)  
23 days after the monthly apportionment in February of each odd-  
24 numbered year, and at that time may adjust the certification, based

1 upon the most current information available, and determine the  
2 amount of funds available for appropriation for ~~that legislative~~  
3 ~~session~~ the ensuing two-year fiscal period. At said meeting the  
4 Board shall determine the limit on the growth of appropriations as  
5 provided for in this section.

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

9 5. All such surplus funds or monies shall be placed in a  
10 Constitutional Reserve Fund by the State Treasurer until such time  
11 that the amount of said Fund equals fifteen percent (15%) of the  
12 General Revenue Fund certification for the preceding two-year fiscal  
13 ~~year~~ period. Appropriations made from said Fund shall be considered  
14 special appropriations.

15 6. a. Up to three-eighths (3/8) of the balance at the  
16 beginning of the current fiscal ~~year~~ period in the  
17 Constitutional Reserve Fund may be appropriated for  
18 the forthcoming fiscal ~~year~~ period, when the  
19 certification by the State Board of Equalization for  
20 said forthcoming fiscal ~~year~~ period General Revenue  
21 Fund is less than that of the current fiscal ~~year~~  
22 period certification. In no event shall the amount of  
23 monies appropriated from the Constitutional Reserve  
24

1 Fund be in excess of the difference between the two  
2 said certifications.

3 b. (1) In years when the provisions of subparagraph a of  
4 this paragraph are not applicable and the balance  
5 at the beginning of the current fiscal ~~year~~  
6 period in the Constitutional Reserve Fund is  
7 equal to or greater than Eighty Million Dollars  
8 (\$80,000,000.00), up to Ten Million Dollars  
9 (\$10,000,000.00) may be expended for the purpose  
10 of providing incentives to support retention of  
11 at-risk manufacturing establishments in this  
12 state in order to retain employment for residents  
13 of this state. Such incentives shall be paid by  
14 the Oklahoma Tax Commission upon a unanimous  
15 finding by the Governor, the Speaker of the House  
16 of Representatives and the President Pro Tempore  
17 of the Senate that:

- 18 (a) such incentives have been recommended by an  
19 independent committee created by the  
20 Legislature for such purposes as provided  
21 herein pursuant to criteria set out by law,  
22 (b) the incentive will result in a substantial  
23 benefit to this state, and  
24



1 (c) payment of the incentive would be in  
2 accordance with the provisions of this  
3 subparagraph and laws enacted to implement  
4 provisions of this subparagraph.

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

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

20 (b) provide the largest economic impact to the  
21 state.

22 (3) For any fiscal ~~year~~ period, the incentives shall  
23 not exceed ten percent (10%) of the amount  
24 invested by an establishment in capital assets to

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

1 Fund is not equal to or greater than Eighty  
2 Million Dollars (\$80,000,000.00) or when the  
3 certification by the State Board of Equalization  
4 for such fiscal ~~year~~ period General Revenue Fund  
5 is less than that of the immediately prior fiscal  
6 ~~year~~ period certification, then any incentive  
7 payments which would have been payable during  
8 such fiscal ~~year~~ period shall be payable in the  
9 first fiscal ~~year~~ period when funds are available  
10 pursuant to the provisions of division (1) of  
11 this subparagraph. In the event that the amount  
12 of incentives payable under investment contracts  
13 authorized by this subparagraph is greater than  
14 the amounts available for payment under this  
15 subparagraph in a fiscal ~~year~~ period, then no new  
16 contracts may be authorized during such ~~year~~  
17 period and incentive payments which are made  
18 shall be reduced pro rata as necessary to apply  
19 all available funds to incentive payments which  
20 are payable in such ~~year~~ period.

- 21 (4) The Legislature is authorized to enact laws  
22 necessary to implement the provisions of this  
23 section.  
24

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

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

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

4 9. That portion of every appropriation, at the end of each  
5 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 fiscal  
15 ~~year~~ period bears to the total of all appropriations from each fund  
16 for that fiscal ~~year~~ period, and no warrant shall be issued in  
17 excess of said allocation. Any department, institution or agency of  
18 the state operating on revenues derived from any law or laws which  
19 allocate the revenues thereof to such department, institution or  
20 agency shall not incur obligations in excess of the unencumbered  
21 balance of cash on hand. Nothing in this section shall prevent,  
22 under such conditions and limitations as shall be prescribed by law,  
23 the governing board of an institution of higher education within The  
24 Oklahoma State System of Higher Education from contracting with a

1 president of such institution of higher education for periods  
2 extending more than one (1) year, but not to exceed three (3) years  
3 beyond the fiscal year in which the 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~~ period to prevent  
7 obligations being incurred in excess of the revenue to be collected,  
8 and 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~~ period  
14 bears to the total of all appropriations from that fund for that  
15 fiscal ~~year~~ period; provided, however, that the Governor 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  
24 the Legislature and made lawfully available therefor; provided

1 further, that in no event shall said deficiency certificates exceed  
2 in the aggregate the sum of Five Hundred Thousand Dollars  
3 (\$500,000.00) in any fiscal ~~year~~ period.

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

7 BALLOT TITLE

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

9 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

10 This measure amends the Oklahoma Constitution. It amends  
11 Section 26 of Article 5 and Section 23 of Article 10. It would  
12 change the way the Legislature prepares the state budget. The  
13 Legislature could only prepare the budget in odd-numbered years.  
14 The budget would be written for two full fiscal years. The  
15 Legislature could consider all other types of legislation in  
16 even-numbered years. The Legislature, by 3/4 vote of each  
17 chamber, could consider nonappropriation measures in odd-  
18 numbered years. Other provisions of the Oklahoma Constitution  
19 would be changed to provide for certification of funds by the  
20 State Board of Equalization. References to appropriations for  
21 one fiscal year are changed to a two-year fiscal period. This  
22 amendment would become effective on January 1, 2015.

23 SHALL THE PROPOSAL BE APPROVED?

24 FOR THE PROPOSAL — YES \_\_\_\_\_

1       AGAINST THE PROPOSAL – NO \_\_\_\_\_

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

7  
8 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/27/2014 - DO PASS,  
9 As Coauthored.