

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE JOINT
4 RESOLUTION 1068

5
6
7 By: Lepak

8 AS INTRODUCED

9 A Joint Resolution directing the Secretary of State
10 to refer to the people for their approval or
11 rejection a proposed amendment to Section 23 of
Article X of the Constitution of the State of
Oklahoma; modifying provisions related to maximum
authorized appropriation amounts; providing ballot
title; and directing filing.

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14 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
15 2ND SESSION OF THE 60TH OKLAHOMA LEGISLATURE:

16 SECTION 1. The Secretary of State shall refer to the people for
17 their approval or rejection, as and in the manner provided by law,
18 the following proposed amendment to Section 23 of Article X of the
19 Constitution of the State of Oklahoma to read as follows:

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

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, the State Board of Equalization shall certify the total
9 amount of revenue which accrued during the last preceding fiscal
10 year to the General Revenue Fund and to each Special Revenue Fund
11 appropriated directly by the Legislature, and shall further certify
12 amounts available for appropriation which shall be based on a
13 determination, in accordance with the procedure hereinafter
14 provided, of the revenues to be received by the state under the laws
15 in effect at the time such determination is made, for the next
16 ensuing fiscal year, showing separately the revenues to accrue to
17 the credit of each such fund of the state appropriated directly by
18 the Legislature.

19 Amounts certified as available for appropriation from each fund,
20 as hereinbefore provided, shall be ninety-five percent (95%) of an
21 itemized estimate made by the State Board of Equalization, which
22 shall include all sources of revenue to each fund for the next
23 ensuing fiscal year; provided, however, appropriated federal funds
24 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 six percent (6%), adjusted for inflation for the previous calendar
8 year. Said limit shall be adjusted for funds not previously
9 appropriated. The limit on the growth of appropriations shall be
10 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 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
24 valorem taxes, or transferring the existing revenues or

1 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 year, and
19 at that time may adjust the certification, based upon the most
20 current information available, and determine the amount of funds
21 available for appropriation for that legislative session. At said
22 meeting the Board shall determine the limit on the growth of
23 appropriations as provided for in this section.

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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 fiscal year, when the certification by
14 the State Board of Equalization for said forthcoming
15 fiscal year General Revenue Fund is less than that of
16 the current fiscal year certification. In no event
17 shall the amount of monies appropriated from the
18 Constitutional Reserve Fund be in excess of the
19 difference between the two said certifications.

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

(\$80,000,000.00), up to Ten Million Dollars
(\$10,000,000.00) may be expended for the purpose
of providing incentives to support retention of
at-risk manufacturing establishments in this
state in order to retain employment for residents
of this state. Such incentives shall be paid by
the Oklahoma Tax Commission upon a unanimous
finding by the Governor, the Speaker of the House
of Representatives and the President Pro Tempore
of the Senate that:

(a) such incentives have been recommended by an independent committee created by the Legislature for such purposes as provided herein pursuant to authority set out below:

(b) the incentive will result in a substantial benefit to this state, and

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

(2) The independent committee will be composed of not less than seven (7) people appointed or otherwise determined pursuant to laws enacted by the Legislature providing for membership on the

committee. The committee shall make recommendations to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate for the awarding of incentives. Such recommendations shall give priority to establishments which:

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

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

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

this subparagraph. In the event that the amount of incentives payable under investment contracts authorized by this subparagraph is greater than the amounts available for payment under this subparagraph in a fiscal year, then no new contracts may be authorized during such year and incentive payments which are made shall be reduced pro rata as necessary to apply all available funds to incentive payments which are payable in such year.

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

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

1 Constitutional Reserve Fund pursuant to this paragraph may only be
2 made in order to ensure that the monies actually received by the
3 entity for the then current fiscal year are equal to or less than,
4 but not in excess of, the total appropriation amount for such entity
5 in effect at the beginning of the then current fiscal year.

6 8. Up to one-quarter (1/4) of the balance at the beginning of
7 the current fiscal year in the Constitutional Reserve Fund may be
8 appropriated, upon a declaration by the Governor that emergency
9 conditions exist, with concurrence of the Legislature by a two-
10 thirds (2/3) vote of the House of Representatives and Senate for the
11 appropriation; or said one-quarter (1/4) could be appropriated upon
12 a joint declaration of emergency conditions by the Speaker of the
13 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, in excess of actual revenues collected and allocated
18 thereto, as hereinafter provided, shall be null and void. Revenues
19 deposited in the State Treasury to the credit of the General Revenue
20 Fund or of any special fund (which derives its revenue in whole or
21 in part from state taxes or fees) shall, except as to principal and
22 interest on the public debt, be allocated monthly to each
23 department, institution, board, commission or special appropriation
24 on a percentage basis, in that ratio that the total appropriation

1 for such department, institution, board, commission or special
2 appropriation from each fund for that fiscal year bears to the total
3 of all appropriations from each fund for that fiscal year, and no
4 warrant shall be issued in excess of said allocation. Any
5 department, institution or agency of the state operating on revenues
6 derived from any law or laws which allocate the revenues thereof to
7 such department, institution or agency shall not incur obligations
8 in excess of the unencumbered balance of cash on hand. Nothing in
9 this section shall prevent, under such conditions and limitations as
10 shall be prescribed by law, the governing board of an institution of
11 higher education within The Oklahoma State System of Higher
12 Education from contracting with a president of such institution of
13 higher education for periods extending more than one (1) year, but
14 not to exceed three (3) years beyond the fiscal year in which the
15 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 to prevent obligations
19 being incurred in excess of the revenue to be collected, and
20 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 bears to
2 the total of all appropriations from that fund for that fiscal year;
3 provided, however, that the Governor shall have discretion to issue
4 deficiency certificates to the State Treasurer for the benefit of
5 any department, institution or agency of the state, if the amount of
6 such deficiency certificates be within the limit of the current
7 appropriation for that department, institution or agency, whereupon
8 the State Treasurer shall issue warrants to the extent of such
9 certificates for the payment of such claims as may be authorized by
10 the Governor, and such warrants shall become a part of the public
11 debt and shall be paid out of any money appropriated by the
12 Legislature and made lawfully available therefor; provided further,
13 that in no event shall said deficiency certificates exceed in the
14 aggregate the sum of Five Hundred Thousand Dollars (\$500,000.00) in
15 any fiscal year.

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

BALLOT TITLE

20 Legislative Referendum No. State Question No.

21 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

22 | This measure amends the Oklahoma Consti

23 Section 23 of Article 10. This section governs the amount the
24 Legislature can appropriate each fiscal year. The State Board

1 of Equalization provides information to the Legislature about
2 how much money may be appropriated. After this initial number
3 is determined, another number is computed which is based on the
4 total amount appropriated in the preceding fiscal year plus
5 twelve percent (12%). This measure would decrease that
6 adjustment factor to six percent (6%). The Legislature could
7 not appropriate more money than this adjusted number.

8 SHALL THE PROPOSAL BE APPROVED?

9 FOR THE PROPOSAL - YES _____

10 AGAINST THE PROPOSAL - NO _____

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

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