

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 HOUSE JOINT
4 RESOLUTION 1004

By: Gann

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.

20 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
21 1ST SESSION OF THE 56TH OKLAHOMA LEGISLATURE:

22 SECTION 1. The Secretary of State shall refer to the people for
23 their approval or rejection, as and in the manner provided by law,
24 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, 2019.

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 each of the
22 next two (2) ensuing fiscal ~~year~~ years; provided, however,
23 appropriated federal funds shall be certified for the full amount of
24 the estimate. Said estimate shall consider any increase or decline

1 in revenues that would result from predictable changes in the
2 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 two (2) calendar ~~year~~ years. Said limit shall be adjusted
9 for funds not previously appropriated. The limit on the growth of
10 appropriations shall be certified to by the State Board of
11 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 ~~regular~~ session held in an
23 odd-numbered year or in any special session, called for that
24 purpose, enact laws to provide for additional revenues or a

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

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

1 Board 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 two-year fiscal
10 ~~year~~ period. Appropriations made from said Fund shall be considered
11 special appropriations.

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

23 b. (1) In years when the provisions of subparagraph a of
24 this paragraph are not applicable and the balance

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

- 14 (a) such incentives have been recommended by an
15 independent committee created by the
16 Legislature for such purposes as provided
17 herein pursuant to criteria set out by law,
18 (b) the incentive will result in a substantial
19 benefit to this state, and
20 (c) payment of the incentive would be in
21 accordance with the provisions of this
22 subparagraph and laws enacted to implement
23 provisions of this subparagraph.
24

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

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

16 (b) provide the largest economic impact to the
17 state.

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

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

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

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

20 7. Up to three-eighths (3/8) of the balance at the beginning of
21 the current two-year fiscal ~~year~~ period in the Constitutional
22 Reserve Fund may be appropriated for the current fiscal ~~year~~ period
23 if the State Board of Equalization determines that a revenue failure
24 has occurred with respect to the General Revenue Fund of the State

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

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

23 9. That portion of every appropriation, at the end of each
24 fiscal ~~year~~ period, in excess of actual revenues collected and

1 allocated thereto, as hereinafter provided, shall be null and void.
2 Revenues deposited in the State Treasury to the credit of the
3 General Revenue Fund or of any special fund (which derives its
4 revenue in whole or in part from state taxes or fees) shall, except
5 as to principal and interest on the public debt, be allocated
6 monthly to each department, institution, board, commission or
7 special appropriation on a percentage basis, in that ratio that the
8 total appropriation for such department, institution, board,
9 commission or special appropriation from each fund for that fiscal
10 ~~year~~ period bears to the total of all appropriations from each fund
11 for that fiscal ~~year~~ period, and no warrant shall be issued in
12 excess of said allocation. Any department, institution or agency of
13 the state operating on revenues derived from any law or laws which
14 allocate the revenues thereof to such department, institution or
15 agency shall not incur obligations in excess of the unencumbered
16 balance of cash on hand. Nothing in this section shall prevent,
17 under such conditions and limitations as shall be prescribed by law,
18 the governing board of an institution of higher education within The
19 Oklahoma State System of Higher Education from contracting with a
20 president of such institution of higher education for periods
21 extending more than one (1) year, but not to exceed three (3) years
22 beyond the fiscal year in which the contract is signed.

23 10. The Legislature shall provide a method whereby
24 appropriations shall be divided and set up on a monthly, quarterly

1 or semiannual basis within each fiscal ~~year~~ period to prevent
2 obligations being incurred in excess of the revenue to be collected,
3 and notwithstanding other provisions of this Constitution, the
4 Legislature shall provide that all appropriations shall be reduced
5 to bring them within revenues actually collected, but all such
6 reductions shall apply to each department, institution, board,
7 commission or special appropriation made by the State Legislature in
8 the ratio that its total appropriation for that fiscal ~~year~~ period
9 bears to the total of all appropriations from that fund for that
10 fiscal ~~year~~ period; provided, however, that the Governor shall have
11 discretion to issue deficiency certificates to the State Treasurer
12 for the benefit of any department, institution or agency of the
13 state, if the amount of such deficiency certificates be within the
14 limit of the current appropriation for that department, institution
15 or agency, whereupon the State Treasurer shall issue warrants to the
16 extent of such certificates for the payment of such claims as may be
17 authorized by the Governor, and such warrants shall become a part of
18 the public debt and shall be paid out of any money appropriated by
19 the Legislature and made lawfully available therefor; provided
20 further, that in no event shall said deficiency certificates exceed
21 in the aggregate the sum of Five Hundred Thousand Dollars
22 (\$500,000.00) in any fiscal ~~year~~ period.

23
24

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

4 BALLOT TITLE

5 Legislative Referendum No. _____ State Question No. _____

6 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

7 This measure amends the Oklahoma Constitution. It amends
8 Section 26 of Article 5 and Section 23 of Article 10. It would
9 change the way the Legislature prepares the state budget. The
10 Legislature could only prepare the budget in odd-numbered years.
11 The budget would be written for two full fiscal years. The
12 Legislature could consider all other types of legislation in
13 even-numbered years. The Legislature, by 3/4 vote of each
14 chamber, could consider nonappropriation measures in odd-
15 numbered years. Other provisions of the Oklahoma Constitution
16 would be changed to provide for certification of funds by the
17 State Board of Equalization. References to appropriations for
18 one fiscal year are changed to a two-year fiscal period. This
19 amendment would become effective on January 1, 2019.

20 SHALL THE PROPOSAL BE APPROVED?

21 FOR THE PROPOSAL - YES _____

22 AGAINST THE PROPOSAL - NO _____

23 SECTION 3. The Chief Clerk of the House of Representatives,
24 immediately after the passage of this resolution, shall prepare and

1 file one copy thereof, including the Ballot Title set forth in
2 SECTION 2 hereof, with the Secretary of State and one copy with the
3 Attorney General.

4

5 56-1-5523 MAH 01/10/17

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24