

## SENATE AMENDMENTS TO A-ENGROSSED SENATE BILL 1566

By JOINT COMMITTEE ON WAYS AND MEANS

March 2

1 On page 1 of the printed A-engrossed bill, line 3, after “visions;” delete the rest of the line and  
2 insert “amending section 31, chapter \_\_, Oregon Laws 2018 (Enrolled Senate Bill 1529); repealing  
3 sections 31a and 31b, chapter \_\_, Oregon Laws 2018 (Enrolled Senate Bill 1529); and prescribing  
4 an effective date.”.

5 In line 13, delete “section 2” and insert “sections 2 and 26”.

6 On page 2, line 5, after “payment” insert “of at least \$25,000”.

7 In line 10, delete “\$\_\_\_\_\_.” and insert “the greater of:

8 “(A) Five percent of the unfunded actuarial liability attributable to the employer, as determined  
9 in the most recent report prepared under ORS 238.605; or

10 “(B) \$300,000.”.

11 After line 18, insert:

12 “(d) A requirement that the participating public employer participate in the Unfunded Actuarial  
13 Liability Resolution Program to develop a plan under section 26 of this 2018 Act.”.

14 After line 40, insert:

15 “(7) The board may use moneys in the Employer Incentive Fund for reasonable administrative  
16 costs incurred under this section.”.

17 On page 3, line 4, after “payment” insert “from moneys not borrowed by the employer”.

18 In line 26, after “291.349,” delete the rest of the line and delete lines 27 through 30 and insert  
19 “to the School Districts Unfunded Liability Fund established in section 24 of this 2018 Act. The  
20 department shall coordinate the transfer of amounts required under this section at least once in  
21 each biennium.”.

22 Delete lines 39 through 45.

23 On page 4, delete lines 1 through 23 and insert:

### “PROCEEDS FROM CAPITAL GAINS TAX

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27 “**SECTION 13.** (1) Not earlier than July 1 and not later than October 1 of the years 2019,  
28 2021 and 2023, the division of the Oregon Department of Administrative Services that serves  
29 as office of economic analysis shall:

30 “(a) Calculate the rate of change in the tax liability from personal income taxes on tax-  
31 able capital gains during the five preceding biennia; and

32 “(b) Use the rate of change calculated under paragraph (a) of this subsection to forecast  
33 the tax liability from personal income taxes on taxable capital gains for the biennium begin-  
34 ning on July 1 of the year in which the calculation is made.

35 “(2) Not later than November 1 of the odd-numbered year following each calculation un-

1 der subsection (1) of this section, the Oregon Department of Administrative Services, in  
2 consultation with the Department of Revenue, shall estimate the tax liability from personal  
3 income taxes on taxable capital gains for the previous biennium.

4 “(3) Not later than November 30 of the odd-numbered year in which the estimate is made  
5 under subsection (2) of this section, the Oregon Department of Administrative Services, in  
6 consultation with the Department of Revenue, shall determine whether the tax liability from  
7 personal income taxes on capital gains estimated under subsection (2) of this section, less  
8 any amount required to be returned to taxpayers under ORS 291.349, exceeds the tax liability  
9 from personal income taxes on taxable capital gains forecasted under subsection (1) of this  
10 section.

11 “(4) Except as provided in subsection (5) of this section, the Department of Revenue shall  
12 transfer an amount equal to 25 percent of any excess calculated under subsection (3) of this  
13 section to the School Districts Unfunded Liability Fund established in section 24 of this 2018  
14 Act.

15 “(5) The Department of Revenue may not make a transfer under subsection (4) of this  
16 section if:

17 “(a) The Legislative Assembly has appropriated moneys from the Oregon Rainy Day Fund  
18 under ORS 293.144 on or after the effective date of this 2018 Act; or

19 “(b) The Public Employees Retirement System is more than 90 percent funded as deter-  
20 mined in accordance with rules adopted by the Public Employees Retirement Board.

21 “(6) The Department of Revenue shall retain unreceipted revenue from the tax imposed  
22 under ORS chapter 316 in an amount necessary to make the transfer required under sub-  
23 section (4) of this section. The department shall make the transfer out of the unreceipted  
24 revenue in lieu of paying the revenue over to the State Treasurer for deposit in the General  
25 Fund.”.

26 On page 5, line 5, after “291.349,” delete the rest of the line and delete lines 6 and 7 and insert  
27 “to the School Districts Unfunded Liability Fund established in section 24 of this 2018 Act.”.

28 Delete lines 18 through 45 and delete pages 6 through 8.

29 On page 9, delete lines 1 through 31 and insert:

30 “**NOTE:** Sections 17 through 21 were deleted by amendment. Subsequent sections were not re-  
31 numbered.”.

32 In line 36, delete “Public Employees Retirement Fund estab-”.

33 In line 37, delete “lished under ORS 238.660” and insert “School Districts Unfunded Liability  
34 Fund established in section 24 of this 2018 Act”.

35 On page 10, delete lines 5 and 6.

36 Delete lines 9 through 24 and insert:

### 37 38 “SCHOOL DISTRICTS UNFUNDED LIABILITY FUND 39

40 “**SECTION 24.** (1) The School Districts Unfunded Liability Fund is established in the State  
41 Treasury, separate and distinct from the General Fund. Interest earned by the School Dis-  
42 tricts Unfunded Liability Fund shall be credited to the fund. The fund consists of moneys  
43 transferred to the fund under sections 12, 13, 15 and 22 of this 2018 Act and other moneys  
44 transferred, allocated or appropriated to the fund.

45 “(2) Moneys in the fund are continuously appropriated to the Public Employees Retire-

1 ment Board for the purpose of establishing and funding a pooled account to be applied  
2 against the liabilities of participating public employers, as defined in ORS 238.005, that are  
3 school districts.

4 “(3) The board shall establish an account in the Public Employees Retirement Fund for  
5 the moneys in the School Districts Unfunded Liability Fund.

6 “(4) The board shall adopt rules providing for:

7 “(a) Proportional distribution to school districts of the moneys in the account established  
8 under subsection (3) of this section;

9 “(b) Amortization of the moneys distributed; and

10 “(c) Administration of the account established under subsection (3) of this section in the  
11 same manner as accounts established under ORS 238.229 (2).

12 “(5) No later than February 1 of each odd-numbered year, the board shall report to the  
13 Oregon Department of Administrative Services and the Legislative Fiscal Officer an estimate  
14 of how moneys will be distributed under this section in the following biennium.

15  
16 “UNFUNDED ACTUARIAL LIABILITY RESOLUTION PROGRAM

17  
18 “SECTION 25. Section 26 of this 2018 Act is added to and made a part of ORS chapter 238.

19 “SECTION 26. (1) The Public Employees Retirement Board shall establish an Unfunded  
20 Actuarial Liability Resolution Program. Under the program, the board shall provide techni-  
21 cal expertise to participating public employers in developing plans to improve the employers’  
22 funded status and to manage projected employer contribution rate changes. Participating  
23 public employers are not required to participate in the program.

24 “(2) The board may use moneys in the Employer Incentive Fund established in section 1  
25 of this 2018 Act for reasonable administrative costs incurred under this section.

26  
27 “REPORTING BY PUBLIC EMPLOYEES RETIREMENT BOARD

28  
29 “SECTION 27. Section 28 of this 2018 Act is added to and made a part of ORS chapter 238.

30 “SECTION 28. During each regular session of the Legislative Assembly, the Public Em-  
31 ployees Retirement Board shall report to the Joint Committee on Ways and Means on the  
32 status of the Employer Incentive Fund established in section 1 of this 2018 Act, the School  
33 Districts Unfunded Liability Fund established in section 24 of this 2018 Act and the Unfunded  
34 Actuarial Liability Resolution Program established under section 26 of this 2018 Act.

35 “SECTION 29. Section 28 of this 2018 Act is repealed on January 2, 2027.”.

36 In line 28, delete “25” and insert “30”.

37 In line 42, delete “26” and insert “31”.

38 On page 11, after line 25, insert:

39  
40 “RECONCILIATION WITH ENROLLED SENATE BILL 1529

41  
42 “SECTION 32. Section 31, chapter \_\_\_, Oregon Laws 2018 (Enrolled Senate Bill 1529), is  
43 amended to read:

44 “**Sec. 31.** On or before July 1, 2021, the Department of Revenue shall:

45 “(1) Estimate the increase, if any, of corporate tax revenue received by the department and at-

1   tributable to the treatment of post-1986 deferred foreign income under An Act to Provide for Re-  
2   conciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year  
3   2018 (P.L. 115-97); and

4       “(2) Notwithstanding ORS 317.853, distribute an amount equal to the estimate required under  
5   subsection (1) of this section as follows:

6       “(a) 18 percent shall be transferred to the Employer Incentive Fund established under [*section*  
7   *31a of this 2018 Act*] **section 1 of this 2018 Act.**

8       “(b) 82 percent shall be transferred to the School Districts Unfunded Liability Fund established  
9   under [*section 31b of this 2018 Act*] **section 24 of this 2018 Act.**

10       “**SECTION 33. Sections 31a and 31b, chapter \_\_\_, Oregon Laws 2018 (Enrolled Senate Bill**  
11 **1529), are repealed.”.**

12       In line 29, delete “27” and insert “34”.

13       In line 35, delete “28” and insert “35”.

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