

ENROLLED HOUSE JOINT RESOLUTION NUMBER 1005  
ENACTED BY THE FIRST REGULAR SESSION OF THE  
FORTIETH LEGISLATURE OF THE STATE OF OKLAHOMA  
NUMBERED BY THE SECRETARY OF STATE  
LEGISLATIVE REFERENDUM NUMBER 251  
STATE QUESTION NUMBER 587  
RECEIVED: March 5, 1985

# Resolution

ENROLLED HOUSE  
JOINT  
RESOLUTION NO. 1005

BY: BARKER, HAMILTON (James),  
DAVIS (Guy), HOLDEN,  
GLOVER, CONAGHAN, COTNER,  
CRAIGHEAD, DAVIS (Frank),  
GORDON, KAMAS, LEFTWICH,  
McKENNA and WILLIAMS  
(Freddie) of the HOUSE

and

RANDLE, HOWELL, CATE,  
CAIN, COLE and TERRILL of  
the SENATE

A JOINT RESOLUTION DIRECTING THE SECRETARY OF STATE TO REFER TO THE PEOPLE FOR THEIR APPROVAL OR REJECTION A PROPOSED AMENDMENT TO SECTION 23 OF ARTICLE X OF THE CONSTITUTION OF THE STATE OF OKLAHOMA; REVISING PROCEDURE FOR DETERMINING REVENUE ESTIMATES; PROHIBITING THE CREATION OF CERTAIN DEBTS OR OBLIGATIONS; PROVIDING PROCEDURE FOR CERTIFICATION OF REVENUE AMOUNTS; PROVIDING PROCEDURE FOR CERTIFICATION OF LIMITS ON GROWTH OF APPROPRIATIONS; PROVIDING PROCEDURE FOR MAKING ADJUSTMENTS IN CERTIFICATION; PROVIDING FOR THE DISTRIBUTION OF SURPLUS MONIES ACCRUING TO THE GENERAL REVENUE FUND; PROVIDING FOR USE OF SURPLUS MONIES; REQUIRING THE STATE EQUALIZATION BOARD TO RECERTIFY REVENUE; PROVIDING BALLOT TITLE; DIRECTING FILING; AND ORDERING A SPECIAL ELECTION.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 1ST SESSION OF THE 40TH 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 23 of Article X of the Constitution of the State of Oklahoma to read as follows:

Section 23. The state shall never create or authorize the creation of any debt or obligation, or fund or pay any deficit, against the state, or any department, institution or agency thereof, regardless of its form or the source of money from which it is to be paid, except as may be provided in this section and in Sections 24 and 25 of Article X of the Constitution of the State of Oklahoma.

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

1. Not more than forty-five (45) days or less than thirty-five (35) days prior to the convening of each regular session of the Legislature, the State Board of Equalization shall make-an-itemized estimate certify the total amount of revenue which accrued during the last preceding fiscal year to the General Revenue Fund and to each Special Revenue Fund appropriated directly by the Legislature, and shall further certify amounts available for appropriation which shall be based on a determination, in accordance with the procedure hereinafter provided, of the revenues to be received by the state under the laws in effect at the time such estimate determination is made, for the next ensuing fiscal year, showing separately the

revenues to accrue to the credit of the General Revenue Fund and each special such fund of the state appropriated directly by the Legislature. The estimate shall not exceed an amount which shall be determined by the following procedure:

(1)--Certify the total amount of revenue which accrued to the General Revenue Fund and each special fund during the last preceding fiscal year;

(2)--Next, compute the percentage by which, in each one of the last five (5) preceding fiscal years, the amount of revenue exceeded, or was below, the corresponding amount of revenue for the next preceding fiscal year; the average percentage of increase or decrease for this five-year period shall then be computed. Revenue of a nonrecurring nature shall be excluded from the revenue of the preceding fiscal years in computing the percentage of increase or decrease for those years;

(3)--If there is a decline in the percentage of increase during the last preceding fiscal year as compared to the five-year average computed above, the Board shall compute such percentage for that period;

(4)--The Board of Equalization, having computed the percentage based on (2) and on (3) above, shall then certify which is the lesser of the two methods;

(5)--The Board shall then add to or subtract from the total amount of the revenue for the last preceding fiscal year, a sum equal to twice the lesser of the two methods;

Amounts certified as available for appropriation from each fund, as hereinbefore provided, shall be ninety-five percent (95%) of an itemized estimate made by the State Board of Equalization, which shall include all sources of revenue to each fund for the next ensuing fiscal year; provided however, appropriated federal funds shall be certified for the full amount of the estimate. Said estimate shall consider any increase or decline in revenues that would result from predictable changes in the economy.

Legislative appropriations for any fiscal year, except for special appropriations provided for in paragraph 4, shall be limited to a sum not to exceed the total amount appropriated from all funds in the preceding fiscal year, plus twelve percent (12%), adjusted for inflation for the previous calendar year. Said limit shall be adjusted for funds not previously appropriated. The limit on the growth of appropriations shall be certified to by the State Board of Equalization.

2. Such estimate certification shall be filed with the Governor, the President and President Pro Tempore of the Senate, and the Speaker of the House of Representatives. The Legislature shall not pass or enact any bill, act or measure making an appropriation of money for any purpose until such estimate certification is made and filed, unless the State Board of Equalization has failed to file said estimate certification at the time of convening of said Legislature; then, in. In such event, it shall be the duty of the Legislature to make such estimate certification pursuant to the provisions of this amendment, and all section. All appropriations made in excess of such estimate certification shall be null and void; provided, however, that the Legislature may at any regular session or special session, called for that purpose, enact laws to provide for additional revenues or a reduction in revenues, other than ad valorem taxes, or transferring the existing revenues or unappropriated cash on hand from one fund to another, or making provisions for appropriating funds not previously appropriated directly by the Legislature. Whereupon, it shall be the duty of the State Board of Equalization to make an estimate a determination of the revenues that will accrue under such laws and to file the same ninety-five percent (95%) of the amount of any increase or decrease resulting, for any

reason, from such changes in laws shall be added to or deducted from the amount previously certified available for appropriation from each respective fund, as the case may be. The State Board of Equalization shall file the amount of such adjusted certification, or additional certification for funds not previously appropriated directly by the Legislature, with the Governor, with the President and President Pro Tempore of the Senate, and the Speaker of the House of Representatives, and the amount of any increase or decrease resulting, for any reason, from such laws shall be added to or deducted from each respective fund, as the case may be. The amount of such adjusted estimate and such adjusted amount shall be the maximum amount which can be appropriated for all purposes from any such fund for the fiscal year estimated being certified.

3. The State Board of Equalization shall meet within five (5) days after the monthly apportionment in February of each year, and at that time may adjust the certification, based upon the most current information available, and determine the amount of funds available for appropriation for that legislative session. At said meeting the Board shall determine the limit on the growth of appropriations as provided for in this section.

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

Beginning July 1, 1985, all such surplus funds or monies accruing after said date shall be placed in a Constitutional Reserve Fund by the State Treasurer until such time that the amount of said Fund equals ten percent (10%) of the General Revenue Fund certification for the preceding fiscal year. Appropriations made from said Fund shall be considered special appropriations.

Up to one-half (1/2) of the balance at the beginning of the current fiscal year in the said Fund may be appropriated for the forthcoming fiscal year, when the certification by the State Board of Equalization for said forthcoming fiscal year General Revenue Fund is less than that of the current fiscal year certification. In no event shall the amount of monies appropriated from said Reserve Fund be in excess of the difference between the two said certifications.

Up to one-half (1/2) of the balance at the beginning of the current fiscal year in the said Fund may be appropriated, upon a declaration by the Governor that emergency conditions exist, with concurrence of the Legislature by a two-thirds (2/3) vote of the House of Representatives and Senate for the appropriation; or said one-half (1/2) could be appropriated upon a joint declaration of emergency conditions by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, with a concurrence of a three-fourths (3/4) vote of the House of Representatives and Senate.

5. That portion of every appropriation, at the end of each fiscal year, in excess of actual revenues collected and allocated thereto, as hereinafter provided, shall be null and void. Revenues deposited in the State Treasury to the credit of the General Revenue Fund or of any special fund (which derives its revenue in whole or in part from state taxes or fees) shall, except as to principal and interest on the public debt, be allocated monthly to each department, institution, board, commission or special appropriation on a percentage basis, in that ratio that the total appropriation for such department, institution, board, commission or special appropriation from each fund for that fiscal year bears to the total of all appropriations from each fund for that fiscal year, and no warrant shall be issued in excess of said allocation. Any department, institution or agency of the state operating on revenues derived from any law or laws which allocate the revenues thereof to such department, institution or agency shall not incur obligations in excess of the unencumbered balance of cash on hand.

6. The Legislature shall provide a method whereby appropriations shall be divided and set up on a monthly, quarterly or semiannual basis within each fiscal year to prevent obligations being incurred in excess of the revenue to be collected, and notwithstanding other provisions of this Constitution, the Legislature shall provide that all appropriations shall be reduced to bring them within revenues actually collected, but all such reductions shall apply to each department, institution, board, commission or special appropriation made by the State Legislature in the ratio that its total appropriation for that fiscal year bears to the total of all appropriations from that fund for that fiscal year; provided, however, that the Governor may in his discretion issue a deficiency certificate or certificates to the State Auditor Treasurer for the benefit of any department, institution or agency of the state, if the amount of such deficiency certificate or certificates be within the limit of the current appropriation for that department, institution or agency, whereupon the State Auditor Treasurer shall issue warrants to the extent of such certificate or certificates for the payment of such claims as may be authorized by the Governor, and such warrants shall become a part of the public debt and shall be paid out of any money appropriated by the Legislature and made lawfully available therefor; provided further, that in no event shall said deficiency certificate or certificates exceed in the aggregate the sum of Five Hundred Thousand Dollars (\$500,000.00) in any fiscal year.

~~The state shall never create or authorize the creation of any debt or obligation, or fund or pay any deficit, against the state, or any department, institution or agency thereof, regardless of its form or the source of money from which it is to be paid, except as provided in this amendment and in Sections 24 and 25 of Article X of the Constitution of the State of Oklahoma.~~

Upon the approval by the people of this state of the amendment to this section contained in House Joint Resolution No. 1005 of the 1st Session of the 40th Legislature, the State Board of Equalization shall meet to recertify the amount of revenue available for appropriation for the fiscal year ending June 30, 1986.

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

BALLOT TITLE

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

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure requires a balanced budget. This measure amends Section 23 of Article X of the Oklahoma Constitution. It changes the method which determines how much tax money may be spent each year. It limits the amount that may be spent to ninety-five percent (95%) of estimated income. It further limits any increase in the amount to be spent to twelve percent (12%) annual growth, after inflation. The measure provides a method to change the amounts that may be spent based on changes in law or changes in business conditions. Extra money would be placed in a reserve fund. The measure limits the ways that reserve funds can be spent. It directs that the limit on income to be spent in the next fiscal year be changed to conform to this measure.

SHALL THE PROPOSED AMENDMENT BE APPROVED?

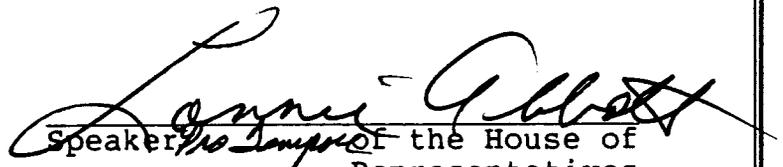
YES, FOR THE AMENDMENT

NO, AGAINST THE AMENDMENT

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

SECTION 4. A special election is hereby ordered to be held throughout the State of Oklahoma on a date set by the Governor at which time the proposed amendment to the Constitution of the State of Oklahoma, as set forth in SECTION 1 of this resolution, shall be submitted to the people of Oklahoma for their approval or rejection as and in the manner provided by law.

Passed the House of Representatives the 4th day of March, 1985.

  
Speaker ~~Pro Tempore~~ of the House of Representatives

Passed the Senate the 4th day of March, 1985.

  
acting President of the Senate

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 5th  
day of March, 1985,  
at 2:00, o'clock P. M.

By: 



**FILED**

MAR 7 1985

OKLAHOMA SECRETARY  
OF STATE

**MICHAEL C. TURPEN  
ATTORNEY GENERAL**

STATE OF OKLAHOMA  
STATE CAPITOL, OKLAHOMA CITY, OKLAHOMA 73105

March 7, 1985

Jeanette B. Edmondson  
Secretary of State  
101 State Capitol Building  
Oklahoma City, OK 73105

RE: Ballot Title for Legislative Referendum No. 251,  
State Question No. 587

Dear Secretary Edmondson:

The Attorney General has received your letter dated March 7, 1985, requesting review of the subject Ballot Title as required by 34 O.S.Supp.1984, § 9.

The Ballot Title, as proposed by you and approved by the Superintendent of Public Instruction, the Speaker of the House of Representatives and the President Pro Tempore of the Senate, reads as follows:

BALLOT TITLE

This measure requires a balanced budget. This measure amends Section 23 of Article X of the Oklahoma Constitution. It changes the method which determines how much tax money may be spent each year. It limits the amount that may be spent to ninety-five percent (95%) of estimated income. It further limits any increase in the amount to be spent to twelve percent (12%) annual growth, after inflation. The measure provides a method to change the amounts that may be spent based on changes in law or changes in business conditions. Extra money would be placed in a reserve fund. The measure limits the ways that reserve funds can be spent. It directs that the limit on income to be spent in the next fiscal year be changed to conform to this measure.

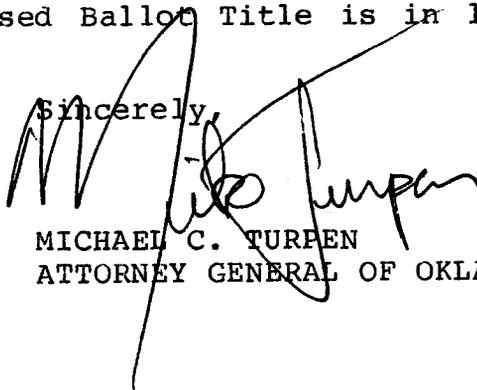
The Honorable Jeanette B. Edmondson  
March 7, 1985  
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SHALL THE PROPOSED AMENDMENT BE APPROVED BY THE PEOPLE?

- ( ) Yes, for the amendment.  
( ) No, against the amendment.

The Attorney General has reviewed your proposed official Ballot Title for Legislative Referendum No. 251, State Question No. 587, and certifies that the proposed Ballot Title is in legal form and harmony with the law.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael C. Turpen", is written over the typed name and title.

MICHAEL C. TURPEN  
ATTORNEY GENERAL OF OKLAHOMA

/vg