

PRELIMINARY DISCUSSION DRAFT

Measure Number: IP 31

Subject: Amends Constitution: Expands (beyond taxes) application of requirement that three-fifths legislative majority approve bills raising revenue

Government Unit Affected: State Agencies

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Comments

Current language in the Oregon Constitution requires three-fifths of all members elected to each House shall be necessary for passing bills for raising revenue.

In *Bobo v. Kulongoski*, [338 Or. 111, 123 (2005)], the Oregon Supreme Court drew the conclusion that a bill will raise revenue only if it collects or brings money into the treasury. The court also stated that not every bill that collects or brings money to the treasury is a bill for raising revenue, and that a bill must possess the essential feature of a bill levying a tax in order to be a revenue raising measure.

Initiative Petition 31 amends the constitution to clarify that the term “raising revenue”, as used in Section 25(2) of the Oregon Constitution, means any tax or fee increase, whether accomplished by the creation, imposition or increase of any tax or fee, or by the modification, elimination or change in the eligibility for any exemption, credit, deduction or lower rate of taxation.

Fiscal Impact Summary

Executive Branch Assumptions: The fiscal impact on State Government is indeterminate as numerous bills that flow through the legislative process would now be subject to a three-fifths majority vote in both chambers. This would include agency budget bills that include a new or increased fee, fee ratification bills, bills including modifications to tax credits, exceptions, or deductions, etc.

Local Government Assumptions: Initiative 31 does not require local governments to take any action.

Estimate of Financial Impact

State Government: The financial impact to state revenue and expenditures is indeterminate.

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Local Government: There is no effect on local government expenditures or revenues required by the Initiative.