

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE JOINT
4 RESOLUTION 2

By: Daniels

5
6 AS INTRODUCED

7 A Joint Resolution directing the Secretary of State
8 to refer to the people for their approval or
9 rejection a proposed amendment to Section 23 of
10 Article X of the Oklahoma Constitution; updating
11 reference; modifying purpose for specified
12 procedures; modifying specified duty of State Board
13 of Equalization; requiring Board to certify tax
14 expenditure limitation; specifying formula for
15 limitation; making requirement to certify limitation
16 conditional; providing for spending limit;
17 prescribing determination of spending limit under
18 certain circumstances; deleting certain funds from
19 specified estimate; deleting percentage limit on
20 change in legislative appropriations; modifying duty
21 of Board with respect to determination of revenue
22 available for appropriation; clarifying status of
23 certain funds as surplus funds and providing for
24 surplus funds amount under specified circumstances;
renaming Constitutional Reserve Fund as
Constitutional Emergency Fund; modifying amounts
accruing to such fund; providing for the status of
interest income; providing for conditional
appropriation from such fund; defining term; deleting
authority for appropriations under specified
conditions; providing for deposit of specified monies
into Budget Stabilization Fund; providing for status
of interest income; establishing conditions under
which revenue failure occurs; providing for transfer
of funds upon revenue failure and limiting amount
thereof; providing for taxpayer refund of certain
funds; requiring Legislative enactment; requiring
voter approval for certification of appropriations
above specified limit; providing ballot title; and
directing filing.

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BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
1ST SESSION OF THE 60TH 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
Oklahoma Constitution 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~~
this article.

To ensure a balanced annual budget and to limit the growth of
revenue and expenditures, 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 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~~
revenue fund appropriated directly by the Legislature, and shall
further certify ~~amounts available for appropriation which shall be~~

1 ~~based on a determination, in accordance with the procedure~~
2 ~~hereinafter provided,~~ an estimate of the revenues to be received by
3 the state under the laws in effect at the time such determination is
4 made, for the next ensuing fiscal year, showing separately the
5 revenues to accrue to the credit of each such fund of the state
6 appropriated directly by the Legislature. The State Board of
7 Equalization shall also certify annually a tax expenditure
8 limitation equal to a percentage which is the sum of the rate of
9 inflation and the percent increase in population growth for the
10 state for the previous calendar year; provided, no tax expenditure
11 limitation shall be certified during any year in which the certified
12 estimate of the General Revenue Fund and each revenue fund
13 appropriated directly by the Legislature for the next fiscal year is
14 less than the amount certified as accruing to such funds for the
15 previous fiscal year.

16 Amounts certified as ~~available for appropriation from~~ estimated
17 to accrue to each fund, as hereinbefore provided, shall be subject
18 to a spending limit. Such spending limit shall be determined as
19 follows:

- 20 a. if the amount of the certified estimate available for
21 appropriation for the next fiscal year for the General
22 Revenue Fund and all revenue funds appropriated
23 directly by the Legislature, as compared to the amount
24 finally certified as accruing to the state in such

1 funds for the preceding fiscal year, has decreased or
2 has increased over revenue finally certified as
3 accruing to the state in such funds for the preceding
4 fiscal year by a percentage less than the tax
5 expenditure limitation, ninety-five percent (95%) of
6 an itemized estimate of revenues to be received by the
7 state for the next fiscal year made by the State Board
8 of Equalization, which shall be the spending limit, or
9 b. if the amount of the certified estimate for the next
10 fiscal year for the General Revenue Fund and all
11 revenue funds appropriated directly by the Legislature
12 has increased over revenue finally certified as
13 accruing to such funds for the preceding fiscal year
14 by a percentage more than the tax expenditure
15 limitation, the spending limit shall be equal to the
16 highest spending limit certified for any preceding
17 year plus a percentage equal to the tax expenditure
18 limitation not to exceed ninety-five percent (95%) of
19 the estimate of revenues to be received by the state
20 in such fund for the next fiscal year. The estimate
21 made by the State Board of Equalization of revenues to
22 accrue to the state shall include all sources of
23 revenue to each fund for the next ensuing fiscal year,
24 provided, however, appropriated federal funds shall be

1 certified for the full amount of the estimate. Said
2 estimate shall consider any increase or decline in
3 revenues that would result from predictable changes in
4 the economy.

5 ~~Legislative appropriations for any fiscal year, except for~~
6 ~~special appropriations provided for in paragraph 6, 7 or 8 shall be~~
7 ~~limited to a sum not to exceed the total amount appropriated from~~
8 ~~all funds in the preceding fiscal year, plus twelve percent (12%),~~
9 ~~adjusted for inflation for the previous calendar year. Said limit~~
10 ~~shall be adjusted for funds not previously appropriated. The~~
11 spending limit on the growth of appropriations shall be certified to
12 by the State Board of Equalization.

13 2. Such ~~certification~~ certifications shall be filed with the
14 Governor, the President and President Pro Tempore of the Senate, and
15 the Speaker of the House of Representatives. The Legislature shall
16 not pass or enact any bill, act or measure making an appropriation
17 of money for any purpose until such ~~certification is~~ certifications
18 are made and filed, unless the State Board of Equalization has
19 failed to file said ~~certification~~ certifications at the time of
20 convening of said Legislature. In such event, it shall be the duty
21 of the Legislature to make such ~~certification~~ certifications
22 pursuant to the provisions of this section. All appropriations made
23 in excess of ~~such certification~~ the spending limit established
24 pursuant to this section shall be null and void; provided, however,

1 that the Legislature may at any regular session or special session,
2 called for that purpose, enact laws to provide for additional
3 revenues pursuant to Section 33 of Article V of the Constitution of
4 the State of Oklahoma or a reduction in revenues, other than ad
5 valorem taxes, or transferring the existing revenues or
6 unappropriated cash on hand from one fund to another, or making
7 provisions for appropriating funds not previously appropriated
8 directly by the Legislature. Whereupon, it shall be the duty of the
9 State Board of Equalization to make a determination of the revenues
10 that will accrue under such laws and ~~ninety-five percent (95%) of~~
11 the amount of any increase or decrease resulting, for any reason,
12 from such changes in laws shall be added to or deducted from the
13 amount previously certified ~~available for appropriation from~~ as
14 estimated to be received by the state in each respective fund, as
15 the case may be. The State Board of Equalization shall file the
16 amount of such adjusted certification, or additional certification
17 for funds not previously appropriated directly by the Legislature,
18 with the Governor, with the President and President Pro Tempore of
19 the Senate, and the Speaker of the House of Representatives, ~~and~~
20 ~~such adjusted amount shall be the maximum amount which can be~~
21 ~~appropriated for all purposes from any such fund for the fiscal year~~
22 ~~being certified.~~

23 3. The State Board of Equalization shall meet within five (5)
24 days after the monthly apportionment in February of each year, and

1 at that time may adjust the certification, based upon the most
2 current information available, and determine the amount of funds
3 available for appropriation for that legislative session. At said
4 meeting the Board shall determine the limit on the growth of
5 appropriations as provided for in this section.

6 4. Surplus funds or monies shall be any amount accruing to the
7 General Revenue Fund of the State of Oklahoma and all other revenue
8 funds appropriated directly by the Legislature over and above the
9 itemized estimate of the revenues to be received by this state made
10 by the State Board of Equalization or if a tax expenditure
11 limitation has been applied pursuant to paragraph 1 of this section,
12 any amount above the spending limit.

13 5. All such surplus funds or monies shall be placed in a
14 Constitutional ~~Reserve~~ Emergency Fund by the State Treasurer until
15 such time that the amount of said Fund equals ~~fifteen percent (15%)~~
16 five percent (5%) of the ~~General Revenue Fund~~ certification for the
17 General Revenue Fund and all revenue funds appropriated directly by
18 the Legislature for the preceding fiscal year. Any interest income
19 earned on the balance of the Constitutional Emergency Fund shall
20 accrue to the fund and shall be included in the fund total.

21 Appropriations made from said Fund shall be ~~considered special~~
22 ~~appropriations~~ made only upon declaration by the Governor that
23 emergency conditions exist, with concurrence of the Legislature by a
24 two-thirds (2/3) vote of the Senate and the House of Representatives

1 for appropriation. For purposes of this paragraph, "emergency" is
2 defined as an extraordinary event or occurrence that could not have
3 been reasonably foreseen or prevented and that requires immediate
4 expenditures to preserve the health, safety, and general welfare of
5 the people; provided, emergency shall not include a revenue or
6 budget shortfall.

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

17 ~~b. (1) In years when the provisions of subparagraph a of~~
18 ~~this paragraph are not applicable and the balance~~
19 ~~at the beginning of the current fiscal year in~~
20 ~~the Constitutional Reserve Fund is equal to or~~
21 ~~greater than Eighty Million Dollars~~
22 ~~(\$80,000,000.00), up to Ten Million Dollars~~
23 ~~(\$10,000,000.00) may be expended for the purpose~~
24 ~~of providing incentives to support retention of~~

1 ~~at risk manufacturing establishments in this~~
2 ~~state in order to retain employment for residents~~
3 ~~of this state. Such incentives shall be paid by~~
4 ~~the Oklahoma Tax Commission upon a unanimous~~
5 ~~finding by the Governor, the Speaker of the House~~
6 ~~of Representatives and the President Pro Tempore~~
7 ~~of the Senate that:~~

8 ~~(a) such incentives have been recommended by an~~
9 ~~independent committee created by the~~
10 ~~Legislature for such purposes as provided~~
11 ~~herein pursuant to criteria set out by law,~~

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

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

18 ~~(2) The independent committee will be composed of not~~
19 ~~less than seven (7) people appointed or otherwise~~
20 ~~determined pursuant to laws enacted by the~~
21 ~~Legislature providing for membership on the~~
22 ~~committee. The committee shall make~~
23 ~~recommendations to the Governor, the Speaker of~~
24 ~~the House of Representatives and the President~~

1 ~~Pro Tempore of the Senate for the awarding of~~
2 ~~incentives. Such recommendations shall give~~
3 ~~priority to establishments which:~~

4 ~~(a) are at greater risk of losing jobs because~~
5 ~~the plant is no longer competitive or~~
6 ~~leaving the state and thereby causing the~~
7 ~~loss of more employment in this state than~~
8 ~~other eligible recipients, and~~

9 ~~(b) provide the largest economic impact to the~~
10 ~~state.~~

11 ~~(3) For any fiscal year, the incentives shall not~~
12 ~~exceed ten percent (10%) of the amount invested~~
13 ~~by an establishment in capital assets to be~~
14 ~~utilized in this state. Incentives may only be~~
15 ~~paid pursuant to an investment contract between~~
16 ~~the establishment and a state agency designated~~
17 ~~by law, which provides for a specified amount of~~
18 ~~investment in a capital asset to be made by the~~
19 ~~establishment over a period of not to exceed five~~
20 ~~(5) years. No incentive payment shall be made~~
21 ~~prior to the actual investment by the~~
22 ~~establishment. The contract shall make payment~~
23 ~~of any incentives in any fiscal year contingent~~
24 ~~on the balance at the beginning of such fiscal~~

~~year in the Constitutional Reserve Fund being equal to or greater than Eighty Million Dollars (\$80,000,000.00) and on the certification by the State Board of Equalization for such fiscal year of the amount available for appropriation from the General Revenue Fund being greater than the amount certified for the preceding fiscal year. Investment contracts authorized by this subparagraph shall provide that if any incentive payment is payable during a fiscal year in which either the balance at the beginning of the fiscal year in the Constitutional Reserve Fund is not equal to or greater than Eighty Million Dollars (\$80,000,000.00) or when the certification by the State Board of Equalization for such fiscal year General Revenue Fund is less than that of the immediately prior fiscal year certification, then any incentive payments which would have been payable during such fiscal year shall be payable in the first fiscal year when funds are available 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~~

1 ~~the amounts available for payment under this~~
2 ~~subparagraph in a fiscal year, then no new~~
3 ~~contracts may be authorized during such year and~~
4 ~~incentive payments which are made shall be~~
5 ~~reduced pro rata as necessary to apply all~~
6 ~~available funds to incentive payments which are~~
7 ~~payable in such year.~~

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

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

1 ~~but not in excess of, the total appropriation amount for such entity~~
2 ~~in effect at the beginning of the then current fiscal year.~~

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

13 9. 5. Any funds or monies accruing to the Constitutional
14 Emergency Fund above and beyond an amount which equals five percent
15 (5%) of the certification for the General Revenue Fund and all other
16 revenue funds appropriated directly by the Legislature for the
17 preceding fiscal year shall be deposited into a Budget Stabilization
18 Fund until such time the amount of such fund equals fifteen percent
19 (15%) of the certification for the General Revenue Fund and all
20 other revenue funds appropriated directly by the Legislature for the
21 preceding fiscal year. Any interest income earned on the balance of
22 the Budget Stabilization Fund shall accrue to the fund and shall be
23 included in the fund total. If monies actually received by the
24 state during the current fiscal year are less than the spending

1 limit for such fiscal year, the State Board of Equalization shall
2 determine that a revenue failure has occurred with respect to the
3 General Revenue Fund and all other revenue funds appropriated
4 directly by the Legislature. If the State Board of Equalization
5 determines that a revenue failure has occurred, monies may be
6 transferred to the General Revenue Fund and any other revenue funds
7 appropriated directly by the Legislature from the Budget
8 Stabilization Fund in an amount which is no greater than thirty-five
9 percent (35%) of the total amount in the Budget Stabilization Fund
10 at the beginning of the fiscal year or fifty percent (50%) of the
11 revenue failure, whichever is less.

12 6. Any funds or monies accruing to the Budget Stabilization
13 Fund above and beyond an amount which equals fifteen percent (15%)
14 of the certification for the General Revenue Fund and all other
15 revenue funds appropriated directly by the Legislature for the
16 preceding fiscal year shall, during the fiscal year following the
17 fiscal year when such revenue is generated, be refunded to those
18 taxpayers who have filed tax returns pursuant to Section 2355 of
19 Title 68 of the Oklahoma Statutes. The Oklahoma Tax Commission
20 shall promulgate rules providing for a proportional reduction in the
21 tax liability of a taxpayer equal to the amount of any funds or
22 monies accruing to the Budget Stabilization Fund above and beyond an
23 amount which equals fifteen percent (15%) of the certification for

1 the General Revenue Fund and all other revenue funds appropriated
2 directly by the Legislature for the preceding fiscal year.

3 7. The State Board of Equalization shall not certify an amount
4 available for appropriation pursuant to paragraph 1 of this section
5 greater than the tax expenditure limitation applied in a fiscal year
6 unless suspension of the tax expenditure limitation has been
7 referred to a vote of the people of the state at an election held
8 throughout the state and has been approved by a majority of the
9 votes cast on the measure at such election.

10 8. That portion of every appropriation, at the end of each
11 fiscal year, in excess of actual revenues collected and allocated
12 thereto, as hereinafter provided, shall be null and void. Revenues
13 deposited in the State Treasury to the credit of the General Revenue
14 Fund or of any special fund (which derives its revenue in whole or
15 in part from state taxes or fees) shall, except as to principal and
16 interest on the public debt, be allocated monthly to each
17 department, institution, board, commission or special appropriation
18 on a percentage basis, in that ratio that the total appropriation
19 for such department, institution, board, commission or special
20 appropriation from each fund for that fiscal year bears to the total
21 of all appropriations from each fund for that fiscal year, and no
22 warrant shall be issued in excess of said allocation. Any
23 department, institution or agency of the state operating on revenues
24 derived from any law or laws which allocate the revenues thereof to

1 such department, institution or agency shall not incur obligations
2 in excess of the unencumbered balance of cash on hand. Nothing in
3 this section shall prevent, under such conditions and limitations as
4 shall be prescribed by law, the governing board of an institution of
5 higher education within The Oklahoma State System of Higher
6 Education from contracting with a president of such institution of
7 higher education for periods extending more than one (1) year, but
8 not to exceed three (3) years beyond the fiscal year in which the
9 contract is signed.

10 ~~10.~~ 9. The Legislature shall provide a method whereby
11 appropriations shall be divided and set up on a monthly, quarterly
12 or semiannual basis within each fiscal year to prevent obligations
13 being incurred in excess of the revenue to be collected, and
14 notwithstanding other provisions of this Constitution, the
15 Legislature shall provide that all appropriations shall be reduced
16 to bring them within revenues actually collected, but all such
17 reductions shall apply to each department, institution, board,
18 commission or special appropriation made by the State Legislature in
19 the ratio that its total appropriation for that fiscal year bears to
20 the total of all appropriations from that fund for that fiscal year;
21 provided, however, that the Governor shall have discretion to issue
22 deficiency certificates to the State Treasurer for the benefit of
23 any department, institution or agency of the state, if the amount of
24 such deficiency certificates be within the limit of the current

1 appropriation for that department, institution or agency, whereupon
2 the State Treasurer shall issue warrants to the extent of such
3 certificates for the payment of such claims as may be authorized by
4 the Governor, and such warrants shall become a part of the public
5 debt and shall be paid out of any money appropriated by the
6 Legislature and made lawfully available therefor; provided further,
7 that in no event shall said deficiency certificates exceed in the
8 aggregate the sum of Five Hundred Thousand Dollars (\$500,000.00) in
9 any fiscal year.

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

13 BALLOT TITLE

14 Legislative Referendum No. _____ State Question No. _____

15 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

16 This measure amends Section 23 of Article 10 of the Oklahoma
17 Constitution. It sets limits on growth in state revenue and
18 spending. It changes the way the State Board of Equalization
19 figures how much can be spent. The Board would set a tax
20 expenditure limit. The limit would set how much state spending
21 could go up from year to year. Revenue above a certain amount
22 would become surplus. A certain amount of surplus funds would
23 go into a Constitutional Emergency Fund. Money from that fund
24 could only be spent under certain conditions. Revenue in the

1 Constitutional Emergency Fund above a certain amount would be
2 deposited into a Budget Stabilization Fund. A part of that fund
3 could be spent only if a revenue failure exists. Once the
4 Budget Stabilization Fund has reached a certain level, some
5 revenue would be refunded to taxpayers. The Board could not
6 spend over the tax expenditure limitation without voter
7 approval.

8 SHALL THE PROPOSAL BE APPROVED?

9 FOR THE PROPOSAL - YES _____

10 AGAINST THE PROPOSAL - NO _____

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

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