

House Bill 3291

Sponsored by Representative SMITH G

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Oregon Department of Administrative Services, in coordination with Legislative Fiscal Officer and Legislative Revenue Officer, to prepare biennial budget stress test report that estimates effects on state finances of hypothetical negative economic conditions.

Directs department to submit report to Legislative Assembly in last calendar quarter of each even-numbered year.

A BILL FOR AN ACT

1
2 Relating to budget stress testing.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) Each biennium, the Oregon Department of Administrative Services, in**
5 **coordination with the Legislative Fiscal Officer and the Legislative Revenue Officer, shall**
6 **prepare a budget stress test report that estimates the effects on state finances of hy-**
7 **pothetical economic conditions.**

8 **(2) The budget stress test report:**

9 **(a) Must include consideration of at least two sets of hypothetical economic conditions,**
10 **with one set of conditions simulating a mild economic downturn and another set of condi-**
11 **tions simulating a severe economic downturn;**

12 **(b) Must estimate the effects of each set of hypothetical economic conditions on state**
13 **finances, including, at a minimum, effects on revenues, demand for government services,**
14 **expenditures and levels of formal or informal reserves;**

15 **(c) Must compare the effects of each set of hypothetical economic conditions with the**
16 **effects of baseline conditions representing no economic downturn; and**

17 **(d) Must include recommendations for prudent amounts of reserve funds.**

18 **(3) The department shall submit the budget stress test report to the Legislative Assembly**
19 **in the manner provided by ORS 192.245 in the last calendar quarter of each even-numbered**
20 **year at the same time the department reports the estimate required by ORS 291.342 (2)**
21 **during that quarter.**

22

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.