

Legislative Fiscal Office

Ken Rocco
Legislative Fiscal Officer

Theresa McHugh
Deputy Legislative Fiscal Officer



900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301
503-986-1828

Budget Information Brief / 2006-4

History of Oregon Special Legislative Sessions

Since the regular session of 1971, the Oregon Legislative Assembly has convened in special session twenty times. Each is summarized:

1971: NOVEMBER 16 - NOVEMBER 22

Referral of a proposed increase in the cigarette tax and results of (then-pending) Congressional action on the federal income tax base were expected to create a substantial deficit in the 1971-73 biennium. Other non-budgetary proposals were introduced, but not considered, on subjects including agricultural labor relations, chiropractors, and legislative operations. Three substantive committees were named. One Senate measure was introduced and passed; 26 House measures were introduced and 7 passed.

1974: JANUARY 24 - FEBRUARY 24*

*Recessed January 24 - February 11

The session was to address problems that developed in certain business, industry, and labor segments over interpretation of HB 2607 (Development and Consumer Protection Act) and impact of the energy crisis. Numerous non-budgetary proposals were introduced, but not considered, on subjects including local government boundary commissions, taxation on nonprofit homes for the elderly, public utility regulation, milk marketing and distribution, forest rehabilitation, and education. Fifteen substantive committees were named. Seventy-six Senate measures were introduced and 39 passed. The Governor vetoed one. Seventy-five House measures were introduced and 52 passed.

1975: SEPTEMBER 16

This session was called to deal with Chapter 786, Oregon Laws 1975, relating to the receipt and dissemination of criminal record information, portions of which were determined by the Attorney General to be unconstitutional.

No extraneous issues were introduced. Three substantive committees were named. One Senate and 2 House measures were introduced and passed.

1978: SEPTEMBER 5 - SEPTEMBER 9

The Governor believed Ballot Measure 6, a 1½ percent limitation on property tax modeled after the California plan, to be a wrong concept and presented an alternative for tax relief. Except for a few measures addressing non-budget issues, state tax policy was the subject of this special session. Three substantive committees were named. Two Senate measures were introduced and passed; 12 House measures were introduced and 9 passed.

1980: AUGUST 4 - AUGUST 8

Adverse impact on Oregon by a nationwide recession with widespread unemployment and a decline in economic activity created an estimated \$204 million revenue shortfall. Legislative committees met in advance of the special session. Nearly all measures addressed financial administration of state government and local (boundary commissions) entities. Eight substantive committees were named. Twelve Senate measures were introduced and 9 passed; 14 House measures were introduced and 10 passed.

1981 FIRST SPECIAL: OCTOBER 24

This session addressed Assembly enactment of House Bills 2696 and 2733 and the Governor's veto of each, notwithstanding the two years of work by a special commission to bring the bills forward. The measures would reorganize state court structures and substantially increase court filing fees in order to partially underwrite state

financing of court costs. No extraneous subject bills were introduced. Five substantive committees were named. Two Senate measures were introduced and 1 passed; 4 House measures were introduced and 3 passed.

1982 SECOND SPECIAL: JANUARY 18 - MARCH 1*

*Recessed February 10 - February 15

Adverse impact on Oregon by nationwide economic conditions with high interest rates, widespread unemployment, and a decline in economic activity created an estimated \$240 million revenue shortfall. During the special session, an additional \$100 million shortfall was identified. The shortfall was addressed by spending cuts and an income tax surcharge. Nearly all bills acted on during this special session addressed financial administration, tax policy, or unemployment compensation. Thirteen substantive committees were named. Twenty-eight Senate measures were introduced and 21 passed; 28 House measures were introduced and 16 passed.

1982 THIRD SPECIAL: JUNE 14

Continued unemployment and a further decline in economic activity resulted in an additional \$107 million revenue shortfall. A joint, bipartisan plan was developed with the Governor prior to this third special session, addressing the shortfall with management salary reductions. Only measures addressing unemployment compensation, tax policy, and financial administration were considered and enacted. Seven substantive committees were named. Three Senate measures were introduced and passed; 6 House measures were introduced and 2 passed.

1982 FOURTH SPECIAL: SEPTEMBER 3

Continued unemployment and a further decline in economic activity resulted in a \$91 million revenue shortfall beyond that previously addressed. A bipartisan plan was developed with the Governor prior to this fourth special session to transfer funds from SAIF. The net 1982 revenue shortfall represented a 16% decline from close-of-session forecasts. Only measures addressing the Industrial Accident Fund, unemployment compensation, and state finances were considered and enacted. Five substantive committees were named. Four Senate measures were introduced and 1 passed; 4 House measures were introduced and passed.

1983: SEPTEMBER 14 - OCTOBER 4

A bipartisan plan was drafted prior to session to address issues of property tax relief that had not been resolved during the regular session. Only a few non-budget measures were brought forward. Six substantive committees were named. Twelve Senate measures were introduced and 5 passed; 6 House measures were introduced and 4 passed.

1990: MAY 7

This session addressed Oregon's workers' compensation system with a plan prepared in advance by a panel from the Governor's office and legislators. No extraneous issues were introduced. Two substantive committees were named; 3 measures were introduced and passed.

1992: JULY 1 - JULY 3

The Governor brought new tax proposals to the Legislative Assembly. Two substantive committees were named. Out of 8 introduced measures, only the sine die resolution passed.

1995 FIRST SPECIAL: JULY 28 - AUGUST 3

Authorizing and funding construction of the South/North light rail project was the reason for this session. Two substantive committees were named. Two Senate measures were introduced and 1 passed; 4 House measures were introduced and 1 passed. The single substantive bill, SB 1156, was declared unconstitutional in *McIntire v. Forbes* 322 OR.426 (1996).

1996 SECOND SPECIAL: FEBRUARY 1 - FEBRUARY 2

Issues involving passage of Measure 11 and SB 1145, a projected shortfall in lottery revenues, and invalidation of portions of the light rail-rural transportation bill passed in the prior special session prompted the Governor to call this second special session. A few measures on other subjects were considered and enacted. Five substantive committees were named. Fourteen Senate measures were introduced and 10 passed; 13 House measures were introduced and 12 passed.

2002 FIRST SPECIAL: FEBRUARY 8 - FEBRUARY 11

Seven months after the sine die adjournment of the 2001 Legislative Assembly, the state faced a \$830 million deficit, prompting the Governor to call the first special session. The proposed scope of the session was limited to rebalancing the

budget, deliberating an economic stimulus package, and creating a school stabilization fund. Non-budgetary proposals were introduced on legislative term limits and the statewide voters' pamphlet; neither was enacted. Five substantive committees were named. Twenty-eight Senate measures were introduced, 9 were enrolled, and 2 were vetoed. Twenty-five House measures were introduced, 11 were enrolled, and 6 were vetoed.

2002 SECOND SPECIAL: FEBRUARY 25 – MARCH 2

Within two weeks of the first special session, Oregon's deficit rose to \$1 billion, with an unemployment rate of 8%. The proposed second special session was to rebalance the budget, further deliberate economic stimulus options, and reconsider the recently passed proposed school stabilization fund. Another proposal was introduced on legislative term limits which was not enacted. Five substantive committees were named. The Senate introduced only one bill, which was enacted with a single line item veto, and the sine die resolution, which was enrolled. Thirty measures were introduced in the House, 12 were enrolled, and 6 were vetoed. One measure rescinded a proposed Constitutional amendment adopted in the first special session and proposed a different amendment relating to an education stability fund. Measures to increase taxes on cigarettes and wine and malt beverages were defeated.

2002 THIRD SPECIAL: JUNE 12 – JUNE 30

The third special session was called approximately three and a half months later because of a continued deficit, now projected at over \$870 million for the current biennium. The Governor anticipated that further budget reductions, one-time revenues, and new revenues would provide the solution. He also recommended further deliberation on economic stimulus initiatives and a school stabilization fund. Five substantive committees were named. Twelve measures were introduced by Senate committees and two by individual senators. Two measures failed in the Senate, two were enrolled, and SB 1022 was vetoed. Of the 22 House measures introduced, 11 were enrolled, including a referral to voters to allow the transfer of Lottery Funds to the State School Fund and a referral to voters to increase tobacco taxes. Both referrals were approved at a special election held September 17, 2002. Two other revenue-raising proposals and two measures

unrelated to economic issues were acted on during the third special session. Two House measures were vetoed.

2002 FOURTH SPECIAL: AUGUST 16 – AUGUST 20

The Governor reconvened the Legislative Assembly to address his August 7 veto of SB 1022 (2002 third special session.) The measure shifted the calculation and timing of State School Fund payments to school and education service districts. It also changed distribution of the Community College Support Fund. The result would be to increase revenues to the local governments in the near-term. It also allowed temporary accounting strategies that would be advantageous to these government subdivisions. After the Senate considered and re-passed the vetoed bill, the Senate adjourned sine die at 3:00 p.m., August 16. The House remained in session and took up the measure on August 20, re-passing it that day. The Senate reconvened at 6:00 p.m., August 20, to receive House messages and to adopt the House sine die resolution.

2002 FIFTH SPECIAL: SEPTEMBER 1 – SEPTEMBER 18

Fourteen days after adjournment of the fourth special session, the Legislative Assembly again convened on the call of the Governor to address the \$480 million projected deficit through budget reductions or with sustainable revenue. Three substantive committees were appointed. Ten measures were introduced in the Senate, of which only the adjournment resolution and a memorial to Congress on a non-economic issue were passed. The House introduced 13 measures; 5 were passed, including one with a line-item veto. One of the enacted measures, HB 4079, would have created a temporary 1% increase in state income tax. The revenue estimate was \$313 million in the current biennium, and \$412 million in 2003-05. It was referred to a special election held January 28, 2003 (while the 72nd Legislative Assembly was in session) as Ballot Measure 28 and was defeated by a 54%-46% margin of votes cast by approximately 67% of registered voters. The Governor vetoed a measure that would have reduced General Fund revenues by connecting Oregon's inheritance tax system to that of the federal tax code.

2003 REGULAR SESSION – BUDGET REBALANCE

The 72nd Legislative Assembly convened in regular session on January 13, 2003. The

March 2003 revenue forecast showed a further \$245 million decrease in the estimate for 2001-03. By enacting five measures to rebalance the 2001-03 budget following the defeat of Measure 28, the Legislature, in effect, conducted a "special session within a session." The package of bills provided one-time transfers of tobacco master settlement revenue bond proceeds to the General Fund, transfer of Education Stability Fund moneys to the State School Fund, made other statutory changes intended to increase General Fund resources, and adjusted budgets to generate General Fund savings.

2006: APRIL 20

The Joint Interim Committee on Special Session was appointed on April 17 and met on April 19 for a day of public hearings on five legislative concepts. Three concepts addressed funding issues: 1) Allocating \$42.2 million of projected lottery funds to the State School Fund for distribution by the Department of Education to public K-12 school districts; 2) authorizing the Portland Public Schools to temporarily increase

its statutory operating property tax rate and excluding the additional property tax revenue generated by a rate increase from its local revenue used in the school equalization formula; and 3) rebalancing the Department of Human Services' 2005-07 budget with additional General Fund revenue and Federal Funds limitation to reflect revised program caseloads, costs-per-case, revenue estimates, and other changes since the legislatively adopted budget. Two concepts reflected policy bills which were not enacted during the 2005 regular session: 1) further regulation of payday loans by capping interest and fee charges; and 2) increased incarceration and post-prison supervision for conviction of certain sex offenses by adults when the victim is less than 12 years of age ("Jessica's Law"). This special session convened at 9:00 a.m., April 20, for introduction of the legislative concepts, plus two sine die resolutions. One committee was named, and, by rule, no extraneous measures could be introduced. The session adjourned sine die at 3:08 p.m. following final passage of the five bills by both chambers.

For additional information, contact: Adrienne Sexton, Legislative Analyst, 503-986-1841