## 2007 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 219 STATUS: A-Engrossed

**SUBJECT:** Confidential employment records for use by Department of Transportation in collection of

delinquent accounts

**GOVERNMENT UNIT AFFECTED:** Department of Transportation and Employment Department

**PREPARED BY:** John F. Borden

**REVIEWED BY:** Susan Jordan and Michelle Deister

**DATE:** May 24, 2007

<u>2007-2009</u> <u>2009-2011</u>

**EXPENDITURES:** See Comments

**REVENUES:** See Comments

**EFFECTIVE DATE:** January 1, 2008

**GOVERNOR'S BUDGET:** This bill is anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** This measure permits the Employment Department to provide confidential employment records to the Department of Transportation (ODOT) for purposes of collection of delinquent accounts.

ODOT reports that of its \$8.35 million in total delinquent accounts, \$5.78 million or 69% related to individuals who are personally liable and who are Oregon-based. This delinquent amount can be categorized as follows: motor carriers (\$2.0 million), fuels tax (\$2.2 million) and returned checks (\$1.58 million).

With access to employment records as required under this measure, ODOT estimates increased collections of \$450,000 during the 18-months of the 2007-09 biennium and \$600,000 during the 2009-11 biennium. For the 2009-11 biennium, the collection rate is estimated to be 10.38%. Any funds collected would be deposited into the State Highway Fund after reimbursement of collection expenses. The remaining balance would then be distributed to the Department's Highway Program (60.05%) and the cities and counties (39.95%).

The Legislative Fiscal Office (LFO) understands how useful employment data would be in making collection on individual DMV accounts (i.e., returned checks), but questions the usefulness in increasing collections on motor carrier taxes and fuels tax accounts, which represent 73% of delinquent accounts. Collection on these accounts could prove more difficult given they relate to independent trucking firms and corporations, even though the owners of such businesses have been deemed personally liable. If this is the case, then the Department's delinquent accounts collection revenue estimate may be overstated.

The Employment Department states that there are minimal costs associated with adding another state agency to the current statutory list of agencies who now receive employment records.