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

MEASURE NUMBER: SB 954 STATUS: B-Engrossed

SUBJECT: Strategic Investment Program projects' reporting of employment and wages directly attributable to project employment gains; Shared Services Fund moneys to local taxing districts

GOVERNMENT UNIT AFFECTED: Oregon Economic and Community Development Department,

Department of Administrative Services **PREPARED BY:** Adrienne Sexton

REVIEWED BY: Robin LaMonte, Dallas Weyand

DATE: June 18, 2007

	2007-2009		2	2009-2011	
EXPENDITURES:			-		
Oregon Economic and Community Development					
Department – Lottery Funds					
Personal Services	\$	-0-	\$	35,000	
POSITIONS / FTE:					
Program Analyst		0 / 0		1 / 0.25	

EFFECTIVE DATE: 91 days after adjournment sine die

GOVERNOR'S BUDGET: This bill is not 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: The measure would require businesses that receive property tax relief under the Strategic Investment Program to report annually to the Oregon Economic and Community Development Department (OECDD) certain information about a project that first becomes exempt on or after January 1, 2008. OECDD would develop the reporting form, and the first reports would be due by April 1, 2010. OECDD would have 60 days to compile and organize the information and report it to the Department of Administrative Services (DAS).

DAS would be responsible to transfer fifty percent of the total personal income tax revenue that is reported as attributable to each eligible project, to the Shared Services Fund. Interest earned on amounts in the Fund would be credited to the Fund. DAS would distribute Fund moneys annually to local taxing districts according to specific conditions.

OECDD anticipates the additional workload to develop the reporting format would occur in the 2009-11 biennium in preparation for the first report from the businesses in April 2010, followed by concentrated analysis and reporting.

DAS reports no direct fiscal effect from this single, new administrative pass-through function.