

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 460-A
Revenue Area:	School Finance
Economist:	Steve Meyer
Date:	5/09/07

Measure Description:

Designates the unused value of gift cards to be property presumed abandoned after 3 years from the date of purchase or last transaction. Defines gift card as a prefunded value electronically stored on a card that is bought at retail and usable for the purchase of goods or services. Prohibits issuing cards with expiration dates or fees. Excludes cards usable with multiple businesses, prepaid phone cards and prepaid commercial mobile radio services. Makes abandoned card subject to state custody when the purchase, issuance or last transaction occurred in Oregon and the address of the owner is unknown. First applies to gift cards issued on and after January 1, 2008.

Revenue Impact:

	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
Common School Fund	0	0	0	\$+15 million
School Districts	0	0	0	0

Impact Explanation:

Collection of unclaimed gift card value begins in 2011. After a full year, deposits into the Common School Fund may be in the neighborhood of \$25 to \$35 million a year. Given the averaging of fund growth over 3 years and the lag in distributions from the fund, school districts may have an initial increase of \$2-3 million in 2012-13. Distributions will then likely grow as deposits accumulate. If deposit growth is sufficient, a higher Common School Fund distribution percentage may occur. Due to the time horizon and limited gift card information, there is a large margin of error for these estimates.

State Capitol Building
900 Court St NE, Room H-197
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>