

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 461-B
Revenue Area:	Utilities surcharge
Economist:	Mazen Malik
Date:	06-22-2007

Measure Description:

Increases the total collection amount on retail investor-owned residential and commercial electric bills that fund the state's low-income energy assistance program. Does not allow individual assessments to rise but allows the total amount collected to increase based on load growth and increases in the number of customers. Specifies that the total collected statewide for 2008 will increase from the current of \$10 million to \$15 million. limits expenditures for to the Department of Housing and Urban Development.

Revenue Impact:

\$ Millions	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State Other Funds				
Low-income Electric Bill payment assistance surcharge	\$2.5	\$5.11	\$7.61	\$10.86

Impact Explanation:

This is a charge on electric utility users. Each electric bill currently has an extra charge, above and beyond the 3% Public Purpose Fee, to raise \$10 million for low-income bill assistance. This bill proposes to increase that amount. The charge increases the total annual collection level for the low-income electric bill assistance program from the current \$10 million to \$15 million in 2008. Although the amounts to be raised in 2008 will be \$5 million, the fiscal year starting July 2008, will show half of that. Thereafter that amount would increase due to additional customers and load growth. The rate for each customer will not be adjusted in following years but the total fee collected may increase over \$15 million from either the addition of customers or the load growth on commercial customers (who pay a rate instead of a flat fee). Revenue increases in this analysis for latter years will follow the population growth forecast shown in the March-2007 forecast by the office of economic analysis.

The Oregon Public Utility Commission determines by administrative rule the proportion of the total to be collected by each utility and the amount to be collected from residential and commercial customers. The bill maintains the current cap of \$500 per month per site for business customers. Public and consumer-owned utilities also offer low-income energy assistance to households in their service areas but are not affected by SB 461-B.

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