

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

MEASURE NUMBER: HB 2269 **STATUS:** A Engrossed
SUBJECT: Creates license plate issuance surcharge to finance highway projects.
GOVERNMENT UNIT AFFECTED: Oregon Department of Transportation
PREPARED BY: Tim Walker
REVIEWED BY: Susan Jordan
DATE: June 8, 2007

EXPENDITURES:	<u>2007-2009</u>	<u>2009-2011</u>
Oregon Department of Transportation (Highway Funds)		
Personal Services	\$ 22,500	\$ -
Services and Supplies	\$ 30,500	\$ -
Congestion Relief Act projects	\$ 116,247,000	\$ -
Bond Issuance Cost	\$ 1,500,000	\$ -
Debt Service	\$ 8,700,000	\$ 17,400,000
Total	\$ 126,500,000	\$ 17,400,000

REVENUES:	<u>2007-2009</u>	<u>2009-2011</u>
Refer to the Legislative Revenue Office statement	\$	\$

EFFECTIVE DATE: January 1, 2008

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: This bill creates a license plate issuance surcharge of \$10 per plate and authorizes issuance of Highway User Tax Bonds of up to \$200 million with a maturity of not more than 20 years. The bill also requires at least 10% of the proceeds be spent in each of five regions and at least 10% allocated to secure right-of-way for projects of statewide significance. In addition, the bill directs the Oregon Department of Transportation (ODOT) to take \$1 of the \$10 per plate surcharge, to be distributed to cities (40%) and counties (60%).

ODOT anticipates \$53,000 will be expended for implementation, rulemaking, and programming cost to implement this program. Bonds will be issued as projects are identified and project cash flows are required. Because of the time required to identify, qualify, and implement projects the actual bond issuance and expenditures may be later in the biennium and may actually occur in the 2009-11 biennium and beyond. The Oregon Transportation Commission, in conjunction with metropolitan planning organizations, transportation stakeholders, and local governments, selects state highway projects that will meet the requirements of this bill. The bill sets out criteria for the selection of projects with preference given to projects that reduce or relieve traffic congestion.

The Legislative Fiscal Office (LFO) believes this bill warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of the bill's impact on the State's budget.