

Joint Committee on Ways and Means

Carrier – House: Rep. Dingfelder
Carrier – Senate: Sen. Nelson

Revenue: No revenue impact

Fiscal: No fiscal impact

Action: Do Pass

Vote: 19 – 0 – 2

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields
– Nays:
– Exc:

Senate – Yeas: Bates, Carter, Devlin, Gordly, Morse, Nelson, Schrader, Verger, Westlund, Whitsett
– Nays:
– Exc: Johnson, Winters

Prepared By: Ken Rocco, Legislative Fiscal Office

Meeting Date: 6/8/07

WHAT THE MEASURE DOES: Exempts agencies from fee approval for fees anticipated in the legislative budget process.

ISSUES DISCUSSED:

- Fees that would still be subject to ratification
- Inclusion of revenue from fees in budget documents

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The 1995 Legislature adopted Senate Bill 333 establishing a “fee ratification” process for state agencies that adopt new fees or fee increases. Under the process, codified in ORS 291.055, any new fees or fee increases approved by the agency after July 1 of an odd-numbered year are rescinded on July 1 of the next odd-numbered year, or upon adjournment of the regular session of the Legislature in that year, whichever is later, unless otherwise authorized by enabling legislation setting forth the approved fees. This only applies to fees established or increased by administrative rule and does not apply to fees set in statute.

In certain cases, this process has required state agencies to have the same proposed fee increases be approved by two different Legislatures. For example, the agency presents proposed fee increases to the current Legislature in the form of a request to increase Other Funds expenditure limitation for a program due to the additional revenue from the proposed new fee or fee increase. The agency is then required to bring a “fee ratification” bill to the next Legislature requesting approval of the fees that were implicitly approved by the previous Legislature with the additional Other Funds expenditure limitation. This unnecessarily complicates the budgeting process since agencies are required to include two packages in its next biennial budget request – one to eliminate the Other Funds expenditure limitation due to the need to ratify the previously approved fee or fee increase and one to add back the Other Funds expenditure limitation to address the requested restoration of the fee revenue.

SB 1032 would still require the fee ratification to apply to fees that were established or increased administratively without legislative review, or those that were modified from what was reviewed by the Legislature, but would exempt from ratification those fees that had been implicitly or explicitly approved by the Legislature and included in the agency’s legislatively adopted budget from the previous biennium.