

2008 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3639 **STATUS:** B-Engrossed **MINORITY REPORT**
SUBJECT: Discrimination in property transactions
GOVERNMENT UNIT AFFECTED: Bureau of Labor and Industries and Employment Department
PREPARED BY: Dawn Farr
REVIEWED BY: Robin LaMonte and Michelle Deister
DATE: February 22, 2008

EXPENDITURES: 2007-2009 2009-2011
See Analysis Section.

REVENUES:
See Analysis Section.

EFFECTIVE DATE: On passage.

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee.

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.

ANALYSIS: The bill modifies Oregon's statutes relating to real property transaction discriminatory practices; stipulates that if the Attorney General or the Labor Commissioner has reason to believe that an unlawful practice under ORS 659.145 or 659A.421 or discrimination under federal housing law has occurred or is about to occur, they may file a complaint; establishes that final administrative dispositions of a complaint is to be no later than one year after receipt of the complaint; stipulates disclosure conditions regarding complaints; and allows that only an administrative law judge employed by the Office of Administrative Hearings may be a member of a special tribunal or hearing officer appointed to hear matters related to discrimination under federal housing law.

The Bureau of Labor and Industries (BOLI) indicates that the bill would make Oregon law related to lease or rental property transactions substantially equivalent to federal law. Currently, BOLI investigates approximately five housing discrimination complaints a year based on Oregon law. The Seattle District Office of the U.S. Department of Housing and Urban Development (HUD) enforces federal law in Oregon and investigates 76 to 120 federal cases per year. BOLI indicates that passage of the bill would enable the Bureau to contract with HUD to investigate federally-based housing discrimination complaints. If BOLI were to contract with HUD, additional Federal Fund revenues could result along with Federal Fund expenditures to conduct investigations and to pay for services of administrative law judges. The timing and cost of these potential additional revenues and expenditures are not known at this time. BOLI anticipates that the HUD contract would ultimately result in a self-funded program (revenues would cover expenditures); however, some existing resources may need to be used during the start-up phase. BOLI would need to return to the Legislative Emergency Board or a subsequent legislative session for Federal Funds expenditure limitation and position authority once a HUD contract has been awarded.

The Office of Administrative Hearings resides in the Employment Department. The Department indicates that services provided to BOLI will be billed at a rate to cover additional expenditures. The timing and amount of any potential increased revenues and expenditures resulting from providing these services is not known at this time.