

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2074 A
CARRIER: Rep. Riley**

REVENUE: Revenue Impact issued

FISCAL: Minimal Fiscal impact, no statement issued

Action: Do Pass as amended and be Printed A-Engrossed

Vote: 10-0-0

Yeas: Bailey, Bentz, Berger, Bruun, Gelser, Kahl, Read, Riley, Sprenger, Barnhart

Nays: 0

Exc.: 0

Prepared By: Dae Baek, Economist

Meeting Dates: 4/8, 4/9, 4/15

WHAT THE BILL DOES: Divides responsibility for funding Tax Supervising and Conservation Commission (TSCC) between county and other municipal corporations within county. Permits county to receive reimbursement for apportioned net cost of TSCC from amounts scheduled to be paid to municipal corporations as part of distribution of tax collection moneys. Increases TSCC's maximum operating budget by three percent a year, beginning with the fiscal year starting July 1, 2011.

ISSUES DISCUSSED:

- Value of TSCC's services, especially to smaller districts
- Detailed discussion of apportionment method and exceptions to apportionment

EFFECT OF COMMITTEE AMENDMENTS: Clarifies reimbursement process and maximum possible increase in annual budget.

BACKGROUND: The Tax Supervising and Conservation Commission (TSCC) is an independent, impartial panel of citizen volunteers established to monitor and report on the financial affairs of local government.

TSCC's net cost in HB 2074 is defined as actual expenditures from the prior year as specified in ORS 294.630, plus office space expense as required by ORS 294.620, less reimbursement from the Assessment and Taxation grant attributable to TSCC's activities. Currently the county is responsible for paying all of these costs. Under this bill the county would be responsible for the first 50% of the cost. The remaining 50% would be apportioned to the municipal corporations other than the county, using two separate apportionment methods: (1) budgeted expenditures of taxing districts for the current fiscal year, and (2) property taxes imposed for the prior fiscal year from taxing district's permanent tax rate limitations. Each method will contribute equally, that is 50% each, to fulfill the 50% funding obligation of other municipal corporations. Each method would have a \$250 minimum apportionment, for a total minimum of \$500.

According to this bill, TSCC's maximum operating budget, which is set at \$280,000 in ORS 294.630, would increase three percent per year, beginning with the fiscal year starting July 1, 2011.

**State Capitol Building
900 Court St NE, Room 143
Salem, OR 97301-1347**

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