

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2073 **STATUS:** A Engrossed
SUBJECT: Establishes deposits into the Oregon Rainy Day Fund
GOVERNMENT UNIT AFFECTED: Department of Revenue
PREPARED BY: Laurie Byerly
REVIEWED BY: Laurie Byerly
DATE: June 12, 2009

EXPENDITURES:

See Comments.

REVENUES:

Refer to the Revenue Impact Statement issued by the Legislative Revenue Office

EFFECTIVE DATE: January 1, 2010

GOVERNOR'S BUDGET: This bill is included in 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: The measure provides for corporate tax excise and income tax revenues tied to tax rates above 6.6% to be deposited into the Oregon Rainy Day Fund (ORDF). These dollars would supplement other dollars in the ORDF, which was established by HB 2707 (2007). The additional deposits would begin with the 2013-15 biennium and are predicated on HB 3405 (2009) becoming law.

The bill requires the Department of Revenue to estimate the amount of revenue received that meets the deposit criteria. Although the Department does not currently have a similar statutory responsibility, the agency does have staff resources in research and statistical areas that should be able to complete this work. While the first transfer to the ORDF does not occur until 2015, the agency would need to begin developing and validating its estimation tools over the next two biennia. Costs associated with this effort are indeterminate but expected to be minimal.

Beginning with the 2013-15 biennium, this measure will reduce the amount of General Fund that would otherwise have been directly available for budget development purposes. Moneys in the ORDF can be appropriated by the Legislative Assembly, but that action requires a three-fifths vote in conjunction with one of several economic or revenue forecast conditions.