

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

MEASURE NUMBER: HB 2227

STATUS: A Engrossed

SUBJECT: Destination resorts

GOVERNMENT UNIT AFFECTED: Department of Land Conservation and Development, Department of Agriculture, Department of Fish and Wildlife, Department of Forestry, Department of Transportation, and Counties

PREPARED BY: Dawn Farr and John Borden

REVIEWED BY: Laurie Byerly and Susie Jordan

DATE: April 2, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See comments.		

EFFECTIVE DATE: January 1, 2010.

GOVERNOR'S BUDGET: This bill is filed by the Governor at the request of the Department of Land Conservation and Development; however, there is no additional funding provided 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 bill provides that the Land Conservation and Development Commission (LCDC) may evaluate the state's destination resort policies and policy implementation, update key requirements and resolve issues through amendment of statewide land use planning goals or administrative rules; modifies destination resort definitions and site requirements; and, modifies or repeals statutes that have prohibited LCDC from making refinements to destination resort planning policy without legislation.

The passage of the bill would establish authority for the Department of Land Conservation and Development (DLCD) to refine destination resort policy without legislation. The bill also identifies several destination resort issues to address and key requirements to be updated, should the commission undertake an evaluation and take action. DLCD indicates that they adopt a policy and rulemaking agenda at the start of each biennium taking into account legislation, budget and program priorities. DLCD indicates that they will add implementation of the bill to their rulemaking workload and that any actions taken as a result of the bill will be assumed with existing resources. Because it is not known at this time the amount of legislation that DLCD will need to implement or the 2009-11 legislatively adopted budget for the agency, DLCD indicates that they are not able to identify what, if any work, will be reprioritized as a result of passage of this bill.

The DLCD fiscal impact is indeterminate due to the uncertainty surrounding when, or if, the permissive provisions of this bill would be undertaken. DLCD could undertake actions to implement the permissive provisions of this bill up to the point that budgeted resources proved insufficient to cover the actual costs. Beyond that level, DLCD may require a budget adjustment by the Legislature or the Emergency Board to continue implementation. If DLCD were to pursue the permissive provisions, they estimate the total cost

of implementation at \$110,902 General Fund which includes the dedication of one existing part-time Planner 4 position (0.25 FTE). These costs are anticipated to occur over a multi-biennia timeframe.

The Department of Fish and Wildlife (ODFW) indicates that Section 5(1)(g) will create new work for the department. Areas that are “especially sensitive big game habitat” have not been updated since 1984, and the department assumes they will need to do this work to facilitate the implementation of Section 5. ODFW anticipates needing to dedicate half the time of a Natural Resources Specialist 3 to this effort. Related personal services Other Fund expenditures are estimated to be \$106,481 for the 2009-11 biennium. Other Fund revenues for this work will come from license fees.

The Department of Forestry, Department of Agriculture, Department of Transportation, and Department of Fish and Wildlife have all expressed that they anticipate that when DLCD begins to take actions to address destination resort issues and update key requirements, they may need to be involved. The timing of DLCD actions and degree of involvement required from these agencies is not known at this time, however, under current statute agencies are required to respond to DLCD actions. While it is anticipated that agencies will be able to absorb these costs, if costs exceed the abilities of an agency to absorb them, they may need to return to the Emergency Board or 2011 Legislature to request additional funding.

The Association of Oregon Counties indicates that because the bill doesn't require the counties to change maps or take action now, they anticipate the fiscal to be minimal initially. The fiscal associated with any new standards or rule changes that LCDC may adopt in the future are indeterminate.