

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

MEASURE NUMBER: HB 2660 **STATUS:** Original
SUBJECT: Increases the amount of occupational safety and health civil penalty revenue that is transferred to Workers' Memorial Scholarship Account.
GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services
PREPARED BY: Robin LaMonte
REVIEWED BY: Susie Jordan
DATE: February 26, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:	See Comments	

EFFECTIVE DATE: January 1, 2010

GOVERNOR'S BUDGET: This bill is not anticipated by 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.

ANALYSIS: Increases the amount of civil penalty revenue that is transferred to Workers' Memorial Scholarship Account from \$250,000 to \$1 million.

The Department of Consumer and Business Services (DCBS) retains civil penalties that are assessed on violations of the Oregon Safe Employment Act. These funds are deposited to the Premium Assessment Operating Account. The Account is primarily funded with a workers' compensation insurance premium assessment on employers, and is used to fund the operations of worker-related programs, such as the Workers' Compensation Division, within DCBS. After making appropriate operating reductions, DCBS can increase the annual premium assessment (currently at 4.6 percent of the premium) when funds in the Account are insufficient to fund operations. With the current rise in unemployment, DCBS has experienced a reduction in the revenue available to fund operations. Additional reductions to the Account could result in an increase in the premium assessment rates.