2010 Special Session FISCAL ANALYSIS OF PROPOSED LEGISLATION

Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 1019 STATUS: B Engrossed

SUBJECT: Makes a number of technical changes to the omnibus transportation bill passed by the 2009 Legislature; authorizes the Oregon Transportation Commission to provide rural airport grants under certain conditions; changes the purpose for which proceeds from the sale of Pacific Wonderland plates can be used, but does not change the distribution of the revenue; and authorizes the Department of Administrative Services to make available, dispense and sell compressed natural gas.

GOVERNMENT UNIT AFFECTED: Department of Transportation, Department of Administrative

Services

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REVIEWED BY: Susie Jordan, Laurie Byerly

DATE: February 17, 2010

<u>2009-2011</u> <u>2011-2013</u>

EXPENDITURES: Minimal – See Comments

EFFECTIVE DATE: The bill includes an emergency clause and is effective on passage. The sections that authorize the Department of Administrative Services to make available, dispense and sell compressed natural gas are repealed on January 2, 2014.

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 and is not included in the omnibus budget bill to be introduced by the 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: SB 1019 makes a number of technical changes to the omnibus transportation bill passed by the 2009 Legislature, and authorizes the Oregon Transportation Commission to provide rural airport grants under certain conditions. The bill also changes the purpose for which proceeds from the sale of Pacific Wonderland plates can be used, but does not change the distribution of the revenue, and authorizes the Department of Administrative Services to make available, dispense and sell compressed natural gas.

The fiscal impact of the bill to the Department of Transportation (ODOT) and Department of Administrative Services are minimal.

However, there are potential fiscal impacts if the bill is not enacted:

- The bill removes the requirement that ConnectOregon recipients pay an amount equal to 2% of project costs. This requirement was included in 2007 ConnectOregon provisions, but was not intended for 2009 ConnectOregon requirements. If the bill does not pass, ODOT would collect \$2.5 million for a statewide multimodal transportation study. ODOT intends to use existing resources to complete the planning work.
- The bill corrects a distribution formula error that would have resulted in the state highway program receiving more tax and fee revenue than was intended, and cities and counties receiving less.