

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Sixth Oregon Legislative
Assembly, 2011 Regular Session
Legislative Revenue Office

Bill Number: SB 863 - A
Revenue Area: Utility charges
Economist: Mazen Malik
Date: 4/22/2011

Measure Description:

Directs Public Utility Commission to prepare report for Legislative Assembly on methods to increase heating and energy bill assistance for low-income families. Requires electric company or Oregon Community Power, at request of Public Utility Commission, to collect an additional \$5 million dollars per 12-month period from residential consumers for low-income electric bill payment assistance

Revenue Impact: This measure is expected to raise around \$10 million from utility rate charges in the 2011-13 biennium.

Impact Explanation:

The Oregon Low-Income Energy Assistance Program (LIHEAP) is intended to provide low income Oregonians assistance with their home energy expenses. Households wishing to receive assistance from the program must be at or below 60% of state median income level. This measure involves a temporary \$5 million a year additional charge. This additional charge is subject to tests of economic health of the state and a measure of the need of the below poverty population. Each of these categories involves two separate tests. The four tests are:

1. The Oregon unemployment rate exceeded 10% for at least 6 months of the previous 12 month period.
2. The Oregon poverty rate exceeded 12% during the previous 12 month period.
3. The moneys allocated for the year under the federal Low Income Energy Assistance Act are 75% or less of the previous year's allocation.
4. The number of households in Oregon receiving supplemental nutrition assistance has exceeded 20% during the previous 12-month period.

Two of these conditions are likely to persist in the coming biennium, and that is sufficient for the measure (if enacted) to trigger the collection of the \$5 million in each year of the biennium. The measure is designed to sunset after 24 months.

Creates, Extends, or Expands Tax Expenditure: Yes No