

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 817 - 1**

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal Office

Prepared by: Robin LaMonte  
Reviewed by: Steve Bender, Laurie Byerly  
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MEASURE: SB 817-1  
EXHIBIT: K  
Joint Committee on Tax Credits 76<sup>th</sup> Session  
DATE: 6/16/11 PAGES: 2  
SUBMITTED BY: CHARIS & ALLAN WASH

**Measure Description:**

Creates Oregon Low Income Community Jobs Initiative.

**Government Unit(s) Affected:**

Business Development Department (Business Oregon), Department of Revenue (DOR)

**Summary of Expenditure Impact**

	2011-13 Biennium	2013-15 Biennium
Lottery Funds	4,232	
Other Funds	100,000	99,612
<b>Total Funds</b>	<b>\$104,232</b>	<b>\$99,612</b>
Positions	1	1
FTE	0.50	0.50

**Summary of Revenue Impact – See Comments**

	2011-13 Biennium	2013-15 Biennium
Other Funds	100,000	205,000
<b>Total Funds</b>	<b>\$100,000</b>	<b>\$205,000</b>

**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 817 creates the Oregon Low Income Community Jobs Initiative, which provides tax credits for investments in low-income communities. The bill is effective on the 91<sup>st</sup> day after Legislative adjournment, and the tax credits apply to investments made on or after July 1, 2012.

The bill requires the Oregon Business Development Department to certify that the entity is a qualified community development entity and that the initial investment is a qualified equity investment. OBDD would be responsible for monitoring implementation. The entity would pay an initial application fee of \$20,000 and an annual evaluation fee of \$1,000.

OBDD does not have any data on the number of qualified entities who might participate in this program. The fiscal impact estimate assumes that 5 entities would participate in the 2012 tax year, and that 10 new entities would participate, and 5 entities would recertify, in 2013-15. Based on these estimates, OBDD would have a 2011-13 cost of \$104,232 all funds and \$99,612 all funds in 2013-15. The 2011-13 cost includes 0.50 FTE staff expense and \$4,620 in estimated Attorney General expense related to the establishment of the program.

OBDD assumes that approximately \$100,000 Other Funds revenue would accrue from the fees in 2011-13, which would be sufficient to pay most of the operating cost of the program. An estimated \$205,000 in Other Funds revenue could be received in 2013-15.

OBDD notes that current staff assignments could be realigned in order to absorb the workload from this bill. This would delay or postpone work on other legislatively approved projects.

The Department of Revenue would need to make minor wording changes to forms and its web pages. This workload is minimal and would occur during the annual review of forms and the web site.