

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2624 - A

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

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Measure Description:

Modifies definition of "public works." Classifies exemption from ad valorem property taxation as funds of public agency for purpose of requiring payment of prevailing wage.

Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI), Department of Administrative Services (DAS), Business Development Department (Business Oregon), Counties, Department of Revenue(DOR)

Indeterminate Fiscal Impact

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:

HB 2624 modifies the definition of "public works" to include a project for constructing, renovating or reconstructing a privately owned highway, road, building or structure in an enterprise zone. The project must have a value of \$5 million or more. The bill classifies exemption from ad valorem property taxation as funds of public agency for purpose of requiring payment of prevailing wage. The bill also adds a fee of \$5,000 per project to be paid to the Bureau of Labor and Industries by the sponsors of enterprise zones in which the projects are located.

The Oregon Business Development Department estimates that could be 10-15 projects per year that meet the definitions in this bill. The workload impact on the affected agencies is estimated to be minimal. There could be a revenue impact to the Bureau of Labor and Industries of \$50,000 to \$75,000 per year from the \$5,000 fee. However, since the number of projects cannot be projected, the revenue impact is indeterminate.