

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2653 - A

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

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Measure Description:

Expands collection mechanisms that Collections Unit of Department of Revenue may use to collect judgments in criminal actions assigned to unit by justice courts.

Government Unit(s) Affected:

Department of Revenue, Counties, Legislative Fiscal Office

Summary of Fiscal Impact

Please see analysis

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:

The fiscal impact of the measure is indeterminate due to the unknown participation level of the justice courts. The Department of Revenue (DOR) is anticipating that the changes contained in the measure will result in all of the 41 justice courts in Oregon using the full collection services provided by the department. Currently six justice courts participate in tax return offset programs. The amended measure provides a simpler process and relaxed debtor identification requirements that the DOR believes will increase participation. The costs of collection are paid by the justice courts.

The Department of Revenue anticipates start-up activities that include the program set-up, information technology support, and creation of service agreement contracts with the courts. These functions would be performed by existing agency staff. Based on the assumption that the DOR would have full participation of the justice courts, the department would require the addition of four additional (4.00 FTE) revenue agent positions at an Other Funds biennial cost of \$307,641 to perform the actual collection activities and a 0.50 FTE office specialist position at an Other Funds biennial cost of \$46,546 to provide administrative support to the program. The number of positions required by the DOR could be significantly less if less than all of the courts participate in the program; if only the six justice courts currently using the tax offset program were to opt for expanded services, DOR would likely need just one additional position.

The fiscal impact for the Legislative Fiscal Office (LFO) is also indeterminate. If LFO can fold the justice court reporting requirements into the existing data collection and reporting process for state agencies, the cost should be minimal. This assessment assumes participating courts will readily engage in the reporting process. Since participation is optional, LFO will need to rely on information from DOR to determine which justice courts are subject to reporting; those courts will need training and access to the online reporting system. If LFO is required to provide a separate data collection process or produce a separate report for justice courts, the workload associated with the bill will be greater but likely still minimal.