

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2770**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
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Date: 2/22/2011**Measure Description:**

Establishes Business Ombudsman.

Government Unit(s) Affected:

Business Development Department (Business Oregon), Office of the Governor, Judicial Department

Summary of Expenditure Impact

	2011-13 Biennium	2013-15 Biennium
General Fund	\$711,035	\$838,784
Total Funds	\$711,035	\$838,784
Positions	4	4
FTE	3.00	4.00

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 2770 establishes a Business Ombudsman, who would be housed in the Oregon Business Development Department (OBDD). The Business Ombudsman is appointed by the Governor and confirmed by the Senate. The bill directs the Business Ombudsman to receive comments from businesses on regulatory actions undertaken by state agencies, maintain confidentiality of the persons making comments but to report the substance of the comments to affected state agencies, the Governor and the Legislative Assembly. The bill also directs the Business Ombudsman to evaluate the enforcement activities and responsiveness of state agencies to business concerns, and to report the findings to the Governor, affected state agencies and the Legislative Assembly.

OBDD estimates that the provisions of this bill would require 4 positions: two (2) Program Analyst 4 positions at \$5,151 each per month plus benefits; one (1) Executive Support Specialist 2 position at \$2,882 per month plus benefits; and one (1) Business Ombudsman position. The bill directs that the Business Ombudsman should receive an annual salary of \$114,468, which equals the annual salary of a Circuit Court judge. The Program Analyst positions would be responsible for outreach and liaison with state agencies, including research on regulatory activities and complaints. The Executive Support Specialist would provide support to the Business Ombudsman and Program Analysts.

The bill directs the Governor to appoint the Business Ombudsman within 180 days of the effective date of the bill. The bill would be effective January 1, 2012. Assuming that the Business Ombudsman would be appointed on January 1, 2012, there would be 18 months of operations in the 2011-13 biennium, at a total cost of \$711,035. Personal services would cost \$622,481 and there would be \$88,554 in services and supplies costs, including one-time costs of \$40,200 that includes \$31,750 to set up and equip an office, \$8,000 for technology equipment, and \$450 for telecommunications equipment. There would also be one-time Attorney General costs of \$23,100. In the 2013-15 biennium, personal services would cost \$789,712 and services and supplies would cost \$49,072, for a total biennial cost of \$838,784.

The bill does not indicate the source of funding for the Business Ombudsman. Therefore, this fiscal impact assumes that the Business Ombudsman would be funded out of the General Fund.

This bill will have a minimal fiscal impact on the Oregon Judicial Department and the Office of the Governor. OJD estimates that there could be 2 to 4 additional cases filed in the Circuit Court for Marion County as a result of the provisions of the bill. This bill may also have a workload and fiscal impact on other state agencies. The effect is unknown, as there is no data available on the number of potential business concerns, inquiries or complaints regarding state regulatory actions.