

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3487 - A**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Specifies that new or increased state agency fees adopted following adjournment sine die of regular legislative session are rescinded unless approved by Legislative Assembly at next regular legislative session; adds “or legislatively approved budget” to the statute that exempts certain fees from this ratification process so that the fees do not need to be approved if they are part of the legislatively adopted budget or legislatively approved budget. Further provisions are added to define both of these terms.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Statewide

Expenditure Analysis:

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:

State agency fees that were established or increased by administrative rule without legislative review or fees that were modified from what was previously reviewed and approved by the legislature must be ratified by the next legislature. Usually this action is accomplished through approval of a “fee ratification” bill, which is drafted by the Executive Branch in conjunction with the agency’s biennial budget bill and reviewed by the Joint Committee on Ways and Means. Normally this occurs during the longer sessions held in odd-numbered years.

This bill requires the fee changes described above to be ratified each regular session (annually), instead of biennially. There should be no additional direct fiscal impact related to this change, since a fee change meeting the criteria would need to be ratified at some point regardless of timing. However, ratifying fee changes annually – while providing a quicker legislative response to fee changes – does potentially disconnect the ratification action from the budget approval process in even-numbered years. This will likely require more regular reporting of fee changes and establishment of a process for the agency to request a fee ratification bill during those sessions.