

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 766 - A**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Authorizes designation of regionally significant industrial areas, defines industrial development projects of state significance, and establishes the Economic Recovery Review Council. The bill provides that the Council may expedite the permitting of up to 10 industrial development projects of state significance per biennium through an expedited review process. The bill establishes the process for identifying state and regionally significant industrial areas and establishes the expedited review process. The bill authorizes application fees sufficient to recover the costs of the expedited review process.

Government Unit(s) Affected:

Business Development Department (Business Oregon), Department of Environmental Quality (DEQ), Department of Land Conservation and Development, Department of State Lands, Oregon Department of Transportation (ODOT)

Summary of Other Funds Expenditure Impact - See Below

	2011-13 Biennium	2013-15 Biennium
State Lands (DSL)	28,797	28,797
Land Cons. & Devl. (DLCD)	94,418	94,418
Environ. Qual. (DEQ)	175,646	175,646
Business Development Department (OBDD)	267,037	249,996
Total Funds	\$565,898	\$548,857
OBDD Positions	2	2
OBDD FTE	1.50	1.50

Minimal Expenditure Impact - Oregon Department of Transportation**Summary of Revenue Impact - See Comments****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 766 defines industrial development projects of state significance, and establishes the Economic Recovery Review Council. The bill provides that the Council may expedite the permitting of up to 10 industrial development projects of state significance per biennium through an expedited review process. The bill establishes the process for identifying state and regionally significant industrial areas and establishes the expedited review process. The bill authorizes application fees sufficient to recover the costs of the expedited review process, and establishes the Economic Recovery Review Council Fund. The Council and Fund sunset "...on January 2 of the first even-numbered year after the Employment Department (determines) that the annual average unemployment rate for the most recent calendar year in Oregon is less than six percent." The bill is effective on passage.

The bill does not specify the administrative support for the Council. However, the Oregon Business Development Department (OBDD) assumes that OBDD will be responsible for program administration, including staff support to the Council, coordinating the site identification and related workload, preparing interagency agreements with the affected state agencies and paying interagency costs. OBDD estimates that the workload of this bill will require one full-time FTE Program Analyst 4 at \$162,522 per biennium and 0.50 FTE Accounting Technician 3 at \$68,245 per biennium. Ongoing office supplies and equipment costs would be \$19,320 per biennium, and there will be \$16,950 in start-up costs for office property and equipment.

Based on an assumption that there will be 8 projects per biennium which qualify for expedited review under this bill, OBDD and the affected agencies estimate the following costs for expedited review workload:

Department of State Lands	\$ 28,797
Department of Land Conservation and Development	\$ 94,418
Department of Environmental Quality	<u>\$ 175,646</u>
Total Other Agency Costs	\$299,861

Costs include application review, site review, permitting, local government consultation, and transportation planning. OBDD will reimburse these agencies for these costs. The Department of Transportation estimates a minimal cost for the workload involved in this bill.

No specific revenue estimate is available for this bill. However, this fiscal impact assumes that sufficient revenue will be collected to offset program costs. OBDD assumes a variable fee would be charged, depending on the complexity of the project, with an average fee of \$75,000 per project, but cannot accurately forecast the mix of simple and complex projects.

OBDD notes that the agency will be required to fund start up costs for this program out of budgeted resources, which will then be reimbursed at a later date when revenue becomes available.