

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 817**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
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Date: March 24, 2011**Measure Description:**

Creates Oregon Low Income Community Jobs Initiative.

Government Unit(s) Affected:

Business Development Department (Business Oregon), Department of Revenue (DOR)

Summary of Expenditure Impact

	2011-13 Biennium	2013-15 Biennium
Lottery Funds	79,232	39,612
Other Funds	25,000	60,000
Total Funds	\$104,232	\$99,612
Positions	1	1
FTE	0.50	0.50

Summary of Revenue Impact

	2011-13 Biennium	2013-15 Biennium
Other Funds	25,000	60,000
Total Funds	\$25,000	\$60,000

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 817 creates the Oregon Low Income Community Jobs Initiative, which provides tax credits for investments in low-income communities. The bill is effective on the 91st day after Legislative adjournment, and the tax credits apply to investments made on or after July 1, 2012.

The bill requires the Oregon Business Development Department to certify that the taxpayer is a qualified community development entity and that the initial investment is a qualified equity investment. OBDD would be responsible for monitoring implementation. The taxpayer would pay an initial application fee of \$5,000 and an annual evaluation fee of \$1,000.

OBDD does not have any data on the number of qualified taxpayers who might participate in this program. The fiscal impact estimate assumes that 5 taxpayers would participate in the 2012 tax year, and that 10 new taxpayers would participate, and 10 taxpayers would recertify, in 2013-15. Based on these estimates, OBDD would have a 2011-13 cost of \$104,232 all funds and \$99,612 all funds in 2013-15. The 2011-13 cost includes 0.50 FTE staff expense and \$4,620 in estimated Attorney General

expense related to the establishment of the program. The operating expenses OBDD are paid out of Lottery Funds. Since the anticipated revenue from the program is not equivalent to the operating cost, it is assumed that \$79,232 in Lottery Funds would be required in the 2011-13 biennium.

OBDD notes that current staff assignments could be realigned in order to absorb the workload from this bill. This would delay or postpone work on other legislatively approved projects.

The Department of Revenue would need to make minor wording changes to forms and its web pages. This workload is minimal and would occur during the annual review of forms and the web site.