

House Bill 3486

Sponsored by Representative WHISNANT; Representatives CONGER, GILLIAM, THOMPSON, WEIDNER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates Economic Forum and Technical Committee appointed by Governor. Directs forum to prepare economic forecast for next biennium. Directs committee to consider economic forecast and prepare state revenue forecast for next biennium. Directs Legislative Assembly to use revenue forecast prepared by committee for purposes of enacting legislatively adopted budget.

A BILL FOR AN ACT

1
2 Relating to state finance; creating new provisions; and amending ORS 314.840.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Economic Forum is established, consisting of five members. Not**
5 **later than three months before the convening of each odd-numbered regular session of the**
6 **Legislative Assembly, members shall be appointed in the following manner:**

7 (a) **The Governor shall appoint four members and may consider persons recommended,**
8 **one each by the leadership of the Democratic and Republican parties in each house of the**
9 **Legislative Assembly.**

10 (b) **The Governor shall appoint one member without leadership recommendation.**

11 (2) **The appointees must be experts of demonstrated ability in economic forecasting, have**
12 **either academic or professional backgrounds in economics and have no vested interest in**
13 **particular state or local government programs and may not be employees of this state. For**
14 **purposes of this subsection, an employee of this state does not include a person employed**
15 **by an institution of higher education listed in ORS 352.002. Not more than three members**
16 **may be members of the same political party.**

17 (3) **The chairperson of the Economic Forum shall disband the forum not later than one**
18 **month following the completion of the duties of the forum under sections 1 to 3 of this 2011**
19 **Act. The term of office of a member lasts from the date of appointment to the date the fo-**
20 **rum is disbanded. Vacancies shall be filled by the Governor.**

21 (4) **The Economic Forum shall elect a chairperson from among its members.**

22 (5) **A quorum consists of three members but a final decision may not be made without**
23 **an affirmative vote of a majority of the members appointed to the forum.**

24 (6) **Members shall be entitled to compensation and expenses as provided in ORS 292.495.**

25 (7) **In the notification to each appointee of selection to membership on the Economic**
26 **Forum, the Governor shall include a statement that it is the Governor's intent and the in-**
27 **tent of the Legislative Assembly that the deliberations of the Economic Forum represent the**
28 **best professional judgment of the members, and that any attempt by any person to influence**
29 **the decisions of the Economic Forum must be promptly reported to the Governor.**

30 (8) **In the notification to each appointee to the Economic Forum, the Governor shall de-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 scribe the economic information or variables to be forecasted and the date by which the
 2 forecast is required.

3 (9) The Economic Forum shall prepare the economic forecast. The forecast shall de-
 4 scribe economic conditions the forum believes will occur in this state during the next
 5 biennium and shall include a forecast of economic conditions for each fiscal year of the next
 6 biennium.

7 **SECTION 2.** (1) At the same time the Governor appoints members of the Economic Fo-
 8 rum, the Governor shall appoint the five members of the Technical Committee. Appointees
 9 should be experts of demonstrated ability in economics, have either academic or professional
 10 backgrounds in economics and have no vested interest in particular state or local govern-
 11 ment programs. Members of the committee may be state employees. Members of the com-
 12 mittee may not also be members of the Economic Forum.

13 (2) The Technical Committee shall select a chairperson from among its members.

14 (3) The Technical Committee shall:

15 (a) Determine the methodology to be used to prepare the state revenue forecast based
 16 upon the economic forecast prepared by the Economic Forum; and

17 (b) Prepare a state revenue forecast as described in section 3 of this 2011 Act.

18 (4) The Technical Committee may request information, data processing support and other
 19 assistance from state agencies. State agencies shall comply with reasonable requests made
 20 by the committee.

21 (5) A member of the Technical Committee may not communicate either verbally or in
 22 writing with any member of the Economic Forum on any matter pertinent to the economic
 23 forecast during its preparation by the forum. Communications pertinent to procedural mat-
 24 ters are permitted.

25 (6) The chairperson of the Technical Committee shall disband the committee not later
 26 than one month following the completion of the duties of the committee under sections 1 to
 27 3 of this 2011 Act. The term of office of a member lasts from the date of appointment to the
 28 date the committee is disbanded. Vacancies shall be filled by the Governor.

29 **SECTION 3.** (1) Not later than three weeks before the convening of each odd-numbered
 30 year regular session of the Legislative Assembly, the Governor and the leadership of the
 31 Democratic and Republican parties in each house of the Legislative Assembly shall hold a
 32 public meeting with the members of the Economic Forum and the Technical Committee.

33 (2) Not less than 24 hours before the public meeting required under subsection (1) of this
 34 section, the Technical Committee shall deliver to the Governor and the leadership of the
 35 Democratic and Republican parties in each house of the Legislative Assembly a copy of the
 36 methodology to be used to prepare the state revenue forecast as determined by the com-
 37 mittee.

38 (3) Subsequent to the delivery of the methodology under subsection (2) of this section,
 39 but not less than 12 hours before the public meeting required under subsection (1) of this
 40 section, the chairperson of the Economic Forum shall deliver to the chairperson of the
 41 Technical Committee a copy of the economic forecast prepared by the Economic Forum.

42 (4) The Technical Committee shall prepare a state revenue forecast using the economic
 43 forecast provided under subsection (3) of this section and the methodology provided under
 44 subsection (2) of this section. The state revenue forecast shall estimate the total anticipated
 45 revenues available for the next biennium and shall include an estimate of total anticipated

1 revenues available for each fiscal year of the next biennium.

2 (5) The agenda for the public meeting required under subsection (1) of this section shall
 3 consist of a description by the chairperson of the Economic Forum of the economic forecast
 4 followed by a description by the chairperson of the Technical Committee of the methodology
 5 to be used to prepare the state revenue forecast. The chairperson of the Technical Commit-
 6 tee shall then present the state revenue forecast.

7 (6) For purposes of enacting the legislatively adopted budget as defined in ORS 291.002,
 8 the Legislative Assembly shall use the state revenue forecast prepared under this section.

9 (7) Notwithstanding subsection (6) of this section, an estimate of revenues or a revenue
 10 forecast required under any provision of the Oregon Constitution or any provision of law
 11 other than this section is considered to be an estimate or forecast prepared by the Oregon
 12 Department of Administrative Services.

13 **SECTION 4.** ORS 314.840 is amended to read:

14 314.840. (1) The Department of Revenue may:

15 (a) Furnish any taxpayer, representative authorized to represent the taxpayer under ORS 305.230
 16 or person designated by the taxpayer under ORS 305.193, upon request of the taxpayer, represen-
 17 tative or designee, with a copy of the taxpayer's income tax return filed with the department for
 18 any year, or with a copy of any report filed by the taxpayer in connection with the return, or with
 19 any other information the department considers necessary.

20 (b) Publish lists of taxpayers who are entitled to unclaimed tax refunds.

21 (c) Publish statistics so classified as to prevent the identification of income or any particulars
 22 contained in any report or return.

23 (d) Disclose a taxpayer's name, address, telephone number, refund amount, amount due, Social
 24 Security number, employer identification number or other taxpayer identification number to the ex-
 25 tent necessary in connection with collection activities or the processing and mailing of correspond-
 26 ence or of forms for any report, return or claim required in the administration of ORS 310.630 to
 27 310.706, any local tax under ORS 305.620, or any law imposing a tax upon or measured by net in-
 28 come.

29 (2) The department also may disclose and give access to information described in ORS 314.835
 30 to:

31 (a) The Governor of the State of Oregon or the authorized representative of the Governor:

32 (A) With respect to an individual who is designated as being under consideration for appoint-
 33 ment or reappointment to an office or for employment in the office of the Governor. The information
 34 disclosed shall be confined to whether the individual:

35 (i) Has filed returns with respect to the taxes imposed by ORS chapter 316 for those of not more
 36 than the three immediately preceding years for which the individual was required to file an Oregon
 37 individual income tax return.

38 (ii) Has failed to pay any tax within 30 days from the date of mailing of a deficiency notice or
 39 otherwise respond to a deficiency notice within 30 days of its mailing.

40 (iii) Has been assessed any penalty under the Oregon personal income tax laws and the nature
 41 of the penalty.

42 (iv) Has been or is under investigation for possible criminal offenses under the Oregon personal
 43 income tax laws. Information disclosed pursuant to this paragraph shall be used only for the purpose
 44 of making the appointment, reappointment or decision to employ or not to employ the individual in
 45 the office of the Governor.

1 (B) For use by an officer or employee of the Oregon Department of Administrative Services duly
 2 authorized or employed to prepare revenue estimates, or a person contracting with the Oregon De-
 3 partment of Administrative Services to prepare revenue estimates[,] **or the Economic Forum or**
 4 **Technical Committee described in sections 1 to 3 of this 2011 Act**, in the preparation of revenue
 5 estimates required for the Governor’s budget under ORS 291.201 to 291.226, or required for sub-
 6 mission to the Emergency Board, or if the Legislative Assembly is in session, to the Joint Committee
 7 on Ways and Means, and to the Legislative Revenue Officer under ORS 291.342, 291.348 and 291.445.
 8 The Department of Revenue shall disclose and give access to the information described in ORS
 9 314.835 for the purposes of this subparagraph only if:

10 (i) The request for information is made in writing, specifies the purposes for which the request
 11 is made and is signed by an authorized representative of the Oregon Department of Administrative
 12 Services, **the Economic Forum or the Technical Committee**. The form for request for information
 13 shall be prescribed by the Oregon Department of Administrative Services and approved by the Di-
 14 rector of the Department of Revenue.

15 (ii) The officer, employee or person receiving the information does not remove from the premises
 16 of the Department of Revenue any materials that would reveal the identity of a personal or corpo-
 17 rate taxpayer.

18 (b) The Commissioner of Internal Revenue or authorized representative, for tax administration
 19 and compliance purposes only.

20 (c) For tax administration and compliance purposes, the proper officer or authorized represen-
 21 tative of any of the following entities that has or is governed by a provision of law that meets the
 22 requirements of any applicable provision of the Internal Revenue Code as to confidentiality:

23 (A) A state;

24 (B) A city, county or other political subdivision of a state;

25 (C) The District of Columbia; or

26 (D) An association established exclusively to provide services to federal, state or local taxing
 27 authorities.

28 (d) The Multistate Tax Commission or its authorized representatives, for tax administration and
 29 compliance purposes only. The Multistate Tax Commission may make the information available to
 30 the Commissioner of Internal Revenue or the proper officer or authorized representative of any
 31 governmental entity described in and meeting the qualifications of paragraph (c) of this subsection.

32 (e) The Attorney General, assistants and employees in the Department of Justice, or other legal
 33 representative of the State of Oregon, to the extent the department deems disclosure or access
 34 necessary for the performance of the duties of advising or representing the department pursuant to
 35 ORS 180.010 to 180.240 and the tax laws of this state.

36 (f) Employees of the State of Oregon, other than of the Department of Revenue or Department
 37 of Justice, to the extent the department deems disclosure or access necessary for such employees
 38 to perform their duties under contracts or agreements between the department and any other de-
 39 partment, agency or subdivision of the State of Oregon, in the department’s administration of the
 40 tax laws.

41 (g) Other persons, partnerships, corporations and other legal entities, and their employees, to
 42 the extent the department deems disclosure or access necessary for the performance of such others’
 43 duties under contracts or agreements between the department and such legal entities, in the
 44 department’s administration of the tax laws.

45 (h) The Legislative Revenue Officer or authorized representatives upon compliance with ORS

1 173.850. Such officer or representative shall not remove from the premises of the department any
 2 materials that would reveal the identity of any taxpayer or any other person.

3 (i) The Department of Consumer and Business Services, to the extent the department requires
 4 such information to determine whether it is appropriate to adjust those workers' compensation
 5 benefits the amount of which is based pursuant to ORS chapter 656 on the amount of wages or
 6 earned income received by an individual.

7 (j) Any agency of the State of Oregon, or any person, or any officer or employee of such agency
 8 or person to whom disclosure or access is given by state law and not otherwise referred to in this
 9 section, including but not limited to the Secretary of State as Auditor of Public Accounts under
 10 section 2, Article VI of the Oregon Constitution; the Department of Human Services pursuant to
 11 ORS 314.860 and 412.094; the Division of Child Support of the Department of Justice and district
 12 attorney regarding cases for which they are providing support enforcement services under ORS
 13 25.080; the State Board of Tax Practitioners, pursuant to ORS 673.710; and the Oregon Board of
 14 Accountancy, pursuant to ORS 673.415.

15 (k) The Director of the Department of Consumer and Business Services to determine that a
 16 person complies with ORS chapter 656 and the Director of the Employment Department to determine
 17 that a person complies with ORS chapter 657, the following employer information:

- 18 (A) Identification numbers.
- 19 (B) Names and addresses.
- 20 (C) Inception date as employer.
- 21 (D) Nature of business.
- 22 (E) Entity changes.
- 23 (F) Date of last payroll.

24 (L) The Director of Human Services to determine that a person has the ability to pay for care
 25 that includes services provided by the Eastern Oregon Training Center or the Department of Human
 26 Services to collect any unpaid cost of care as provided by ORS chapter 179.

27 (m) The Director of the Oregon Health Authority to determine that a person has the ability to
 28 pay for care that includes services provided by the Blue Mountain Recovery Center or the Oregon
 29 State Hospital or the Oregon Health Authority to collect any unpaid cost of care as provided by
 30 ORS chapter 179.

31 (n) Employees of the Employment Department to the extent the Department of Revenue deems
 32 disclosure or access to information on a combined tax report filed under ORS 316.168 is necessary
 33 to performance of their duties in administering the tax imposed by ORS chapter 657.

34 (o) The State Fire Marshal to assist the State Fire Marshal in carrying out duties, functions and
 35 powers under ORS 453.307 to 453.414, the employer or agent name, address, telephone number and
 36 standard industrial classification, if available.

37 (p) Employees of the Department of State Lands for the purposes of identifying, locating and
 38 publishing lists of taxpayers entitled to unclaimed refunds as required by the provisions of chapter
 39 694, Oregon Laws 1993. The information shall be limited to the taxpayer's name, address and the
 40 refund amount.

41 (q) In addition to the disclosure allowed under ORS 305.225, state or local law enforcement
 42 agencies to assist in the investigation or prosecution of the following criminal activities:

43 (A) Mail theft of a check, in which case the information that may be disclosed shall be limited
 44 to the stolen document, the name, address and taxpayer identification number of the payee, the
 45 amount of the check and the date printed on the check.

1 (B) The counterfeiting, forging or altering of a check submitted by a taxpayer to the Department
 2 of Revenue or issued by the Department of Revenue to a taxpayer, in which case the information
 3 that may be disclosed shall be limited to the counterfeit, forged or altered document, the name, ad-
 4 dress and taxpayer identification number of the payee, the amount of the check, the date printed
 5 on the check and the altered name and address.

6 (r) The United States Postal Inspection Service or a federal law enforcement agency, including
 7 but not limited to the United States Department of Justice, to assist in the investigation of the fol-
 8 lowing criminal activities:

9 (A) Mail theft of a check, in which case the information that may be disclosed shall be limited
 10 to the stolen document, the name, address and taxpayer identification number of the payee, the
 11 amount of the check and the date printed on the check.

12 (B) The counterfeiting, forging or altering of a check submitted by a taxpayer to the Department
 13 of Revenue or issued by the Department of Revenue to a taxpayer, in which case the information
 14 that may be disclosed shall be limited to the counterfeit, forged or altered document, the name, ad-
 15 dress and taxpayer identification number of the payee, the amount of the check, the date printed
 16 on the check and the altered name and address.

17 (s) The United States Financial Management Service, for purposes of facilitating the reciprocal
 18 offsets described in ORS 305.612.

19 (t) A municipal corporation of this state for purposes of assisting the municipal corporation in
 20 the administration of a tax of the municipal corporation that is imposed on or measured by income,
 21 wages or net earnings from self-employment. Any disclosure under this paragraph may be made only
 22 pursuant to a written agreement between the Department of Revenue and the municipal corporation
 23 that ensures the confidentiality of the information disclosed.

24 (u) A consumer reporting agency, to the extent necessary to carry out the purposes of ORS
 25 314.843.

26 (3)(a) Each officer or employee of the department and each person described or referred to in
 27 subsection (2)(a), (e) to (k) or (n) to (q) of this section to whom disclosure or access to the tax in-
 28 formation is given under subsection (2) of this section or any other provision of state law, prior to
 29 beginning employment or the performance of duties involving such disclosure or access, shall be
 30 advised in writing of the provisions of ORS 314.835 and 314.991, relating to penalties for the vio-
 31 lation of ORS 314.835, and shall as a condition of employment or performance of duties execute a
 32 certificate for the department, in a form prescribed by the department, stating in substance that the
 33 person has read these provisions of law, that the person has had them explained and that the person
 34 is aware of the penalties for the violation of ORS 314.835.

35 (b) The disclosure authorized in subsection (2)(r) of this section shall be made only after a
 36 written agreement has been entered into between the Department of Revenue and the person de-
 37 scribed in subsection (2)(r) of this section to whom disclosure or access to the tax information is
 38 given, providing that:

39 (A) Any information described in ORS 314.835 that is received by the person pursuant to sub-
 40 section (2)(r) of this section is confidential information that may not be disclosed, except to the ex-
 41 tent necessary to investigate or prosecute the criminal activities described in subsection (2)(r) of
 42 this section;

43 (B) The information shall be protected as confidential under applicable federal and state laws;
 44 and

45 (C) The United States Postal Inspection Service or the federal law enforcement agency shall

1 give notice to the Department of Revenue of any request received under the federal Freedom of In-
2 formation Act, 5 U.S.C. 552, or other federal law relating to the disclosure of information.

3 (4) The Department of Revenue may recover the costs of furnishing the information described
4 in subsection (2)(k) to (m) and (o) to (q) of this section from the respective agencies.

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