

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4040 - B

Seventy-Sixth Oregon Legislative Assembly – 2012 Regular Session  
Legislative Fiscal Office

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### Measure Description:

Establishes Oregon Growth Fund and Oregon Growth Board to encourage investment in and availability of capital to Oregon businesses and to further economic development in Oregon.

### Government Unit(s) Affected:

Oregon State Treasurer, Oregon Business Development Department (OBDD)

### 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 4040-B establishes the Oregon Growth Board and directs the Board to report, by January 2013, on recommendations for implementing the functions of the Board and on proposed policies for investing and managing monies in the Oregon Growth Fund. The bill also includes provisions that, effective January 1, 2014, establish the Oregon Growth Fund; charge the Oregon Growth Board with administering the Oregon Growth Fund; abolish the Oregon Growth Account Board; transfer oversight of the Oregon Growth Account to the Oregon Growth Board and administration of the Oregon Growth Account from the State Treasurer to the Oregon Business Development Department; and allow the Oregon Growth Account to be used for investments other than in, or providing seed capital to, emerging growth businesses. The bill repeals all provisions that become effective on January 1, 2014 on June 30, 2013, thereby preventing them from becoming operative. These provisions would only become operative if the Legislature removes or modifies the repeal prior to June 30, 2013.

The fiscal impact of the bill is indeterminate. Because, absent additional legislation, the bill will only establish the Oregon Growth Board and require a report, the fiscal impact to the Oregon Business Development Department would be minimal. If the other provisions in the bill become operative, however, the expenses associated with administering the Oregon Growth Account, which currently total approximately \$3.2 million per biennium as administered by the State Treasurer, would be transferred to the Oregon Business Development Department. OBDD would also incur any additional expenses associated with the management of the Oregon Growth Fund. These expense amounts are unknown. The bill retains a requirement that 10% of the monies deposited into the Education Stability Fund be deposited into the Oregon Growth Account (currently, this amount would be approximately \$21.4 million per biennium). The bill does not provide funding to the Oregon Growth Fund.