

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4176 A

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

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Measure Description:

Establishes procedure for Governor to declare county as fiscally distressed if county governing body requests designation.

Government Unit(s) Affected:

Department of Revenue (DOR), Counties, Office of the Governor, Oregon State Treasurer, Secretary of State

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 4176 authorizes the establishment of fiscal assistance boards, when a county governing body finds the county in a state of fiscal distress, and requests the Governor for a declaration of fiscal emergency. The measure requires the Governor to review state-required county services; and to consult with county officials, labor organizations representing county employees, and other stakeholders, prior to finding the county to be in a state of fiscal emergency. Upon such finding, the Governor would declare a fiscal emergency for the county, which would establish a fiscal assistance board. The bill authorizes the Governor to make such declarations if the county is currently providing, or within the next fiscal year will be providing, a less than minimally adequate level of state-required services.

The measure establishes membership requirements for fiscal assistance boards, and provides boards with authority over county budgets and operations. The Secretary of State, the State Treasurer and the Director of the Department of Revenue are required to serve on the board as nonvoting *ex officio* members. The bill creates the Fiscally Distressed Counties Fund for payment of the expenses of establishing and administering fiscal assistance boards. The bill specifies that at least one-half of the costs of administering a fiscal assistance board must be paid by the county that has been declared to be in fiscal distress, and allows the Legislature to appropriate moneys to the Fund.

The fiscal impact of this bill on the Governor's Office, the Department of Revenue, the Secretary of State, and the State Treasurer is indeterminate depending on the number of counties that may require a fiscal assistance board in any given year. The bill requires the Secretary of State, the State Treasurer and the Director of the Department of Revenue to serve on the fiscal assistance board as nonvoting *ex officio* members. If only one or two counties were to trigger a fiscal assistance board in a given year, the impact can be absorbed within these agencies' budget. If a greater number of counties were to trigger a fiscal assistance board at the same time, these agencies may need additional resources to support the work of the board. At this time, the frequency and spread of counties that will require a fiscal assistance board cannot be predicted.