

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1591A

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

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Date: February 20, 2012

Measure Description:

Makes changes to membership and powers of Travel Information Council and transfers responsibility for certain rest areas from the Department of Transportation to the Travel Information Council.

Government Unit(s) Affected:

Oregon Department of Transportation (ODOT), Oregon Travel Information Council [Semi-Privatized] (TIC)

Summary of Expenditure Impact: See Analysis below.

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:

The fiscal impact of this bill results from the transfer of responsibility for some rest areas from the Department of Transportation (ODOT) to the Travel Information Council (TIC), and also transfers State Highway Trust Funds to the Council for the management, maintenance, improvement and development of specified roadside rest areas. The bill repeals the sunset date of January 2, 2020 for the pilot program under which TIC manages selected rest areas and the transfer of State Highway Funds for their management, in effect continuing the management of rest areas and transfer of funds endlessly. The bill increases the transfer of State Highway Funds by \$1,263,000 for the 2011-13 biennium for a total transfer of \$5.677 million. The distribution of the additional funds would be after the distribution to cities and counties and come from the state's share of Highway Funds reducing the amounts available to ODOT for state highway operations, maintenance and construction. This is in addition to the \$6 million of State Highway funds currently transferred from ODOT to TIC for the rest area management program.

While TIC expects to spend a total of \$7.5 million per year to manage and maintain the rest areas included in the bill, ODOT's 3 year average annual expenditure is reported to be \$3 million, a difference of \$4.5 million per year. ODOT's operating expenses for rest area maintenance is lower than the costs incurred by TIC, in part because rest area maintenance functions are shared with other ODOT staff responsibilities. ODOT staff are not dedicated to rest area operations and maintenance while TIC staff will be dedicated to the tasks of operating and maintaining the property and facilities. With the transfer of revenue included in the bill to TIC, and the reduction in costs to ODOT to operate and maintain the rest areas; the fiscal impact for the 2011-13 biennium is \$5 million, and the fiscal impact for the 2013-15 biennium is \$3.5 million.

The bill also prohibits TIC from using any moneys originating from local transient lodging taxes or a state transient lodging tax for managing, maintaining, improving or developing the roadside rest areas identified in the bill. Additionally, the Secretary of State is required to enter into an agreement with TIC to establish a financial review schedule to insure State Highway Trust funds are spent in accordance with constitutional requirements. The cost for the audit requirement is estimated at \$10,000 per year.