

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Seventh Oregon Legislative
Assembly
2013 Regular Session
Legislative Revenue Office**

Bill Number:	HB 2616
Revenue Area:	Commodities Tax
Economist:	Christine Broniak
Date:	12/18/2013

*Only Impacts on Original or Engrossed
Versions are Considered Official*

NOTICE OF INDETERMINATE REVENUE IMPACT

Impact Explanation: HB 2616 has a number of provisions that may affect revenue impacts. It adds soy beans and canola seeds to the list of crops defined as “grains.” The Oregon Wheat Commission does not currently levy on these commodities but would, under this measure, retain the option to in the future. The revenue impact of this change is indeterminate, as it will depend on the amount of these crops grown in Oregon and the rate that the commission sets. This rate would be determined by the budgeting needs of the Commission and the amount of these crops that are grown.

Next, the measure clarifies that wheat sold to out-of-state buyers is still subject to the commission’s levy. Generally, out-of-state buyers remit the payment to the Commission for the wheat they purchase from Oregon, and buyers in Oregon reciprocate with other states. Therefore, the revenue impact of this change is minimal. The measure also reinstates penalties for late or non-payment of assessment moneys. It is rare for entities to incur or pay these penalties, so the revenue impact of this change is small.

Finally, the measure allows the commission to invest in the local government investment pool. The commission typically has reserve funds of \$2 million, so the revenue impact of the change would depend on how much of these reserves are invested and the rate of return. The returns on the Oregon Short-Term fund for the most recent period were 0.54%.

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