

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

Bill Number: HB 2056 - B
Revenue Area: Provider Tax
Economist: Dae Baek
Date: 4/5/2013

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

Measure Description: Extends the sunset of an assessment on long term care facilities for six years, until June 30, 2020. Removes provider assessment exemptions for all currently exempt providers but the Oregon Veterans' Home, on January 1, 2014. Takes effect on the 91st day after adjournment sine die.

Revenue Impact (in \$Millions):

| | Fiscal Year | | Biennium | | |
|---|-------------|---------|----------|----------|----------|
| | 2013-14 | 2014-15 | 2013-15 | 2015-17 | 2017-19 |
| Long Term Care Facility Quality Assurance Fund | \$ 3.9 | \$ 57.6 | \$ 61.5 | \$ 127.7 | \$ 142.0 |

Data Source: Oregon Department of Human Services

Impact Explanation: This bill allows the Oregon Department of Human Services to continue to collect assessment on gross revenues of long term care facilities for six more years. Under current law, the assessment is set to expire on June 30, 2014. Collected assessments leverage matching federal funds. The bill also facilitates efforts in reducing excess capacity in long term care facilities.

When assessment exemptions are removed on January 1, 2014, there will be additional assessment collection of \$3.9 million in the second half of the fiscal year (FY) 2013-14, which will leverage \$6.7 million in matching federal funds. The extension of the sunset makes possible additional collection of assessment beyond the 2013-14 FY. \$57.6 million in the FY 2014-15 will be matched by \$98.8 million in federal funds. The assessment of \$127.7 million for the 2015-17 biennium will bring in \$218.0 million in leveraged federal funds.

Creates, Extends, or Expands Tax Expenditure: Yes No