

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

**Bill Number: SB 719 A
Revenue Area: Agriculture
Economist: Christine Broniak
Date: 3/27/2013
Corrected**

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

Measure Description: Changes the basis for an Oregon Sheep Commission assessment on sheep and lambs from an assessment of \$0.03 per pound of wool to an assessment per head for animals sold. The measure allows the assessment to range from \$0.50 to \$1.00 per animal sold and increase by \$0.10 per year.

Revenue Impact:

	2013-15	2015-17	2017-19
Oregon Sheep Commission Assessment			
New Assessment Revenue (per animal sold)	\$67,000 to \$134,000	\$68,608 to \$137,216	\$70,255 to \$140,509
Current Assessment Revenue (Per pound) To be subtracted from new revenue for net revenue figure	\$44,848	\$45,924	\$47,026
Net new revenue	\$22,152 to \$89,152	\$22,684 to \$91,292	\$23,229 to \$93,483

Impact Explanation: The Oregon Sheep Commission collected an average of \$22,424 in the four year period from fiscal year 2009 to FY 2012. The low range for revenue from the sale of animals is \$0.50 per head. According to the United States Department of Agriculture's Agripedia, the average number of sheep and lambs sold to outside parties in the four-year period from 2009 to 2012 is 67,000. Assuming that trend remains steady, the annual revenue would be \$33,500 for a \$0.50 assessment and \$67,000 for a \$1.00 assessment. The method of the assessment would change from the assessment on wool ninety days after the effective date of this act or when the commission adopts rules to establish the new assessment, whichever is sooner. For the purposes of this analysis, it is assumed that the new rules are adopted on July 1, 2013 and the revenue change applies to 2013-15 for the entire biennium. The revenue impact is assumed to grow at the rate of Oregon's population change, 1.2% per year.

Creates, Extends, or Expands Tax Expenditure: Yes No

*Corrections to the impact statement were to reduce the number of sheep and lambs "marketed" by the number of inshipments (animals grazed temporarily in the state and later moved out of the state without ever changing owners.) It is also to reduce the impact statement by the number of animals that are slaughtered for use on the farms where they are produced. Neither of these types of animals would trigger the assessment and no revenue would result from these activities.

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