

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 7 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Establishes State Fair Council as public corporation.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Oregon Parks and Recreation Department (OPRD), Oregon State Treasurer, Department of Justice

Summary of Expenditure Impact:

See Analysis

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 bill establishes State Fair Council (Council) as an independent public corporation to run the Oregon State Fair and maintain and operate the fairgrounds and exposition center. The bill prohibits disposal of the fairground facilities without Department of Administrative Services (DAS) approval and directs the Council to enter into a renewable agreement with DAS to carry out facility operations and to make periodic lease payments to the State of Oregon. DAS may also seek an appropriation from the Legislative Assembly or the Emergency Board for moneys to support the Council.

The drafting and administration of the lease agreement between DAS and the Council is estimated to cost DAS \$5,520. An optional baseline condition assessment of the existing facility may need to be performed which would be estimated on a per square foot basis. It is not determined if this assessment cost will be incurred, however if it is, the expense will range between \$56,627 to \$98,276. If the \$50 million account balance threshold for the Council is triggered, the one-time cost of the appraisal is estimated at \$20,000. Ongoing financial services provide to the Council by DAS are anticipated to be absorbable within existing workloads. Costs to DAS associated with the sale of facilities and properties are normally deducted from sale proceeds; the agency will not need additional funds should these services be required.

The lease agreement for the Council to make payments to the State of Oregon has an indeterminate revenue impact as at this time - the terms of the agreement have not yet been negotiated.

The fiscal impact to Oregon State Treasurer, Oregon Parks and Recreation Department and the Department of Justice are estimated to be minimal. Any support service expenses incurred by these agencies, as a result of the passage of this bill, are absorbable within the agencies existing budgets or may be reimbursed by the council under provisions in the bill.