

**77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: HB 2462
CARRIER:**

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass and refer to Ways and Means by prior reference

Vote: 5-0-0

Yeas: Ferrioli, George, Hass, Rosenbaum, Burdick

Nays: 0

Exc.: 0

Prepared By: Paul Warner, Economist

Meeting Dates: 5/13

WHAT THE BILL DOES: Exempts Department of Revenue from the Governor's allotment reduction process.

ISSUES DISCUSSED:

- Experience during 2010 allotment reduction process.
- Relationship between Department of Revenue budget and tax collections.
- Temptation to single out other program areas for exemption from allotment process.

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Under current law, the Governor (operating through the Department of Administrative Services) has the authority to make reductions in the General Fund Legislatively Approved Budget in order to eliminate a projected deficit in the current biennium. These allotment reductions must be done on an across-the-board basis for all General Fund agencies. The only exception is a reduction in debt service payments. During the 2009-11 biennium allotment reductions applied to the Department of Revenue budget led to projected reductions in General Fund revenue collections.