FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3453 - B

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

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by:	Matt Stayner
Reviewed by:	John Borden, Daron Hill
Date:	7/7/13

Measure Description:
Provides that Governor may proclaim public safety fiscal emergency for one or more counties where fiscal conditions compromise county ability to provide minimally adequate level of public safety services.

Government Unit(s) Affected:
Statewide, Department of Revenue(DOR)

Analysis:
The fiscal impact of the measure is indeterminate. There are several unknown or undefined elements in the bill that preclude the ability to estimate the cost as follows.

The measure allows the Governor the power to act on behalf of units of local government in the event of a public safety fiscal emergency. For the purpose of the bill, “local government” is defined as a county. After consultation with the Senate President, the Majority and Minority Leaders of the Senate, the Speaker of the House of Representatives, the Majority and Minority Leaders of the House of Representatives, and each Senator an Representative whose district is wholly or partially within a county that is subject to the public safety emergency, and following the proclamation of such an emergency, the Governor, after obtaining written authorization signed by the majority of the governing body of each local government subject to the proclamation, may enter into a written intergovernmental agreement with any other local government for the performance of activities related to public safety. The measure specifically declares that the provisions contained in the bill should be construed liberally and the term “public safety” is not defined in the measure, therefore it is unknown what services would be provided under the intergovernmental agreements.

The measure requires that half of the costs to provide these public safety services shall be paid by the state and the other half shall be paid by the counties that are parties to the intergovernmental agreement. The bill allows for the county portion to be funded by a telecommunications tax, an income tax on both personal and corporate income (unless specifically prohibited by county charter or other elsewise), any lawful county assessment, existing county revenue, or any combination of these sources. The measure amends statute so that a tax adopted by a county as provided under this bill is not required to be approved by the electors of a county before taking effect. The revenues and expenditures are to be apportioned among the parties, but it does not provide specifically which party would pay. It is unclear if the county providing the services would also be required to pay for the services and whether the imposition of additional taxes, assessments and so forth would apply to all parties in the agreement. There is no source of funding, or mechanism for funding, the state portion of the costs in the measure, nor does the measure make an allowance for the cost to the state to administer the agreements or provide subsequent support for the agreements such as the collection and distribution of the surtaxes by the Department of Revenue.