

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
Seventy-Seventh Oregon Legislative  
Assembly  
2014 Regular Session  
Legislative Revenue Office

Bill Number: HB 4157 - A  
Revenue Area: State Finance  
Economist: Paul Warner  
Date: 3-6-14

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

**Measure Description:**

Implements changes necessary to support the legislatively approved budget and clarifies budget related statutes. The key General Fund revenue impact provision is the transfer of business registration fees from the Secretary of State's Operating Account to the General Fund. The measure also authorizes the Superintendent of Public Instruction to provide interest free loans up to \$400,000 to financially stressed school districts. These loans are to come from the State School Fund and be repaid over time by the recipient district. This provision could potentially affect the allocation of State School Fund revenue to all other districts on a short term basis.

**Revenue Impact (in \$Millions):** \$2.2 million increase to 2013-15 General Fund revenue.  
The bill has an indeterminate impact on State School Fund formula revenue.

**Impact Explanation:** The 2013 Legislature approved a \$4 million transfer of business registration fee revenue to the General Fund for the 2013-15 biennium. The Operating Account now has an additional \$2.2 million that is available for transfer. HB 4157 calls for a transfer of this revenue from the Secretary of State Operating Account to the General Fund on June 15, 2015.

If the Superintendent of Public Instruction implements the interest free loan provision of the bill, it would lead to a temporary reduction in formula revenue for the other school districts. A \$400,000 loan would reduce the State School Fund allocation by about 60 cents per ADMw for the remaining school districts. This reduction would be offset over time as the loan is repaid.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No