

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Peter Buckley, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Nancy Nathanson, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: *Capital Construction Subcommittee*

From: *Ken Rocco, Legislative Fiscal Office
(503) 986-1844*

Date: February 27, 2015

Subject: *SB 605 - Work Session*

Senate Bill 605 relates to state financial administration. An amendment replaces the bill. The amended version is referred to as the "Program Change" bill. The bill has an emergency clause and is effective on passage.

The amended version of the bill implements statutory changes necessary to support the 2013-15 legislatively approved budget and to clarify the application of statutes. The bill is not an appropriation bill and therefore does not include the appropriation of funds.

The bill is necessary to achieve a balanced budget for the 2013-15 biennium. The fiscal or budgetary impacts of provisions of this bill are contained in SB 5543, which is the 2015 session budget reconciliation bill for the 2013-15 biennium, or in other specific budget measures.

The Work Session packet includes a preliminary staff measure summary and draft fiscal impact statement. This packet is available on the Oregon Legislative Information System (OLIS). A revenue impact statement is currently being prepared for the bill.

Amendment

The Legislative Fiscal Office recommendation is to conceptually amend the measure, as outlined in the fiscal impact statement:

Motion #1: Move the conceptual amendment to SB 605.

Measure as Modified

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

Motion #2: Move SB 605 to the full committee with a "do pass" recommendation, as modified.

Chair to assign carriers:

Full: _____
2nd Chamber: _____

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 605 - 3

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: John Borden
Reviewed by: Michelle Deister, Daron Hill, Paul Siebert, Steve Bender
Date: February 27, 2015**Measure Description:**

SB 605 Implements the statutory changes necessary to support the legislatively adopted budget and to clarify the application of statutes.

Summary of Expenditure Impact: See Analysis.**Summary of Revenue Impact:** See Legislative Revenue Office Impact Statement**Government Unit(s) Affected:**

Oregon Liquor Control Commission (OLCC), Department of Administrative Services (DAS), Secretary of State (SOS); and state bonding

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:

This measure implements statutory changes necessary to support the legislatively approved budget and to clarify the application of statutes. This measure, relating to state financial administration, is not an appropriation bill and therefore does not include the appropriation of funds. The measure, however, is necessary to achieve a balanced budget for the 2013-15 biennium. The measure is effective on passage.

The budgetary impacts of provisions of this measure are contained in SB 5543, which is the early 2015 session budget reconciliation bill for the 2013-15 biennium.

The following table summarizes, by section and agency, the fiscal impact of this measure.

Section/Gov't Unit	Program Change	Fiscal Impact
§1 Department of Administrative Services	Repeals requirement that Lottery Funds debt service accounts be fully funded for the fiscal year in the first fiscal quarter of the fiscal year.	No Fiscal
§2 Department of Administrative Services	Changes "Mid-Columbia Medical Center" to "Mid-Columbia Health Foundation."	No Fiscal

<p>§3</p> <p>Oregon Liquor Control Commission</p>	<p>Authorizes use of liquor funds for Measure 91 implementation expenses, to be repaid at an interest rate of 2% interest from marijuana program related revenue, prior to any distribution of marijuana licensing or tax revenue to entities specified in Measure 91.</p> <p><i>*Includes \$756,610 in Other Funds expenditure limitation included in SB 5543 and \$583,000 approved by the Emergency Board in December 2014</i></p>	<p>+\$1,339,610 Other Funds*</p>
<p>§4</p> <p>Secretary of State</p>	<p>Repeals scheduled transfers of Business Registration Fee revenues to the General Fund.</p> <p><i>[Repeals Section 40, chapter 722, Oregon Laws 2013 and section 17, chapter 107, Oregon Laws 2014]</i></p>	<p>+\$6,200,000 Other Funds</p>

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates:

Prepared By: John Borden, Budget Analyst

WHAT THE MEASURE DOES:

This measure implements statutory changes necessary to support the legislatively approved budget and to clarify the application of statutes. This measure, relating to state financial administration, is not an appropriation bill and therefore does not include the appropriation of funds. The measure, however, is necessary to achieve a balanced budget for the 2013-15 biennium. The measure is effective on passage.

The fiscal or budgetary impacts of provisions of this measure are contained in SB 5543, which is the budget reconciliation bill, or in other specific budget measures. The major provisions impact only the Administration Program Area and they are:

- Repeals requirement that Lottery Funds debt service accounts be fully funded for the fiscal year in the first fiscal quarter of the fiscal year.
- Changes "Mid-Columbia Medical Center" to "Mid-Columbia Health Foundation."
- Authorizes use of liquor funds for Measure 91 implementation expenses, to be repaid at an interest rate of 2% interest from marijuana program related revenue, prior to any distribution of marijuana licensing or tax revenue to entities specified in Measure 91.
- Repeals scheduled transfers of Business Registration Fee revenues to the General Fund.

ISSUES DISCUSSED:

- Need for program change bill
- Relation to HB 5543, the budget reconciliation bill, and SB 5703 (2014), the bond bill
- Fiscal impact
- Revenue impact

EFFECT OF COMMITTEE AMENDMENT:

The amendment incorporates changes related to the Mid-Columbia Health Foundation; Ballot Measure 91 implementation; and the repeal of select Oregon Laws.

BACKGROUND:

This measure is the Joint Committee on Ways and Means program change bill. Similar measures are introduced each legislative session. This measure, relating to state financial administration, is not an appropriation bill and therefore does not include the appropriation of funds.