

PRELIMINARY STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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: 03/25

Prepared By: Paul Warner, Legislative Revenue Officer

WHAT THE MEASURE DOES:

Extends sunset date for Shared Service Fund from 2019 to 2029. Modifies allocations of Shared Service Fund revenue for counties that receive more than \$5 million annually. Under current law, 50% of estimated personal income tax revenue associated with Strategic Investment Program projects is allocated to the taxing districts in the county where the project is located. SB 129 does not change the allocation of revenue for counties receiving less than \$5 million annually. Implementation of sunset is modified so that Strategic Investment Program agreements concluded prior to the new sunset date will continue to generate allocations for the life of the project.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

-1 Amendment directs Department of Revenue to directly allocate income tax revenue associated with Strategic Investment Project wages. Modifies distribution for a county receiving more than \$5 million (currently Washington County), reducing share to local tax districts to 40% of the allocated revenue. The remaining revenue for this county is distributed as follows: 30% to the State School Fund, 15% to the Higher Education Coordinating Commission and 15% to the Department of Education for expansion of career and technical education programs.

-2 Amendment continues allocation of identified income tax revenue through the Shared Services Fund. Maintains same allocation as -1 for counties with revenue greater than \$5 million. Specifies that 15% to Higher Education Coordinating Council is to go to Oregon State University Extension Service. The remaining 15% is to also go through Higher Education Coordinating Council to community colleges for purposes of funding career and technical education programs. Extends sunset date to 2029 but does not allow existing agreements to continue receiving payments after sunset date.

BACKGROUND:

The Shared Service Fund was established by the 2007 Legislature with the passage of SB 954.