

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On 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: 04/08

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WHAT THE MEASURE DOES:

- Directs Legislative Revenue Officer to prepare economic impact statement for bills before legislative committees under certain conditions. Specifies that at least two revenue committee members, one from each political party, must agree to make request for it to be valid. Directs Legislative Revenue Officer to determine whether economic impact statement is feasible. Requires that statements include both direct and indirect effects on the Oregon economy.

ISSUES DISCUSSED:

- Employment impact statements in other states.
- Timing of requests.
- Impact on Legislative Revenue Office resources.

EFFECT OF COMMITTEE AMENDMENT:

-1 Specifies that Legislators making request must be members of either the House Revenue Committee or the Senate Finance and Revenue Committee.

BACKGROUND:

The Legislative Revenue Office currently maintains three separate economic models of the state:

- The IMPLAN model which is designed for short term economic impact estimates associated with a specific positive or negative shock to the state economy.
- The REMI model maintained and updated by Regional Economic Modeling Incorporated. REMI produces models for each state. LRO has a contract with REMI to maintain and update a model of Oregon's economy. The REMI model is tied to a long a term national forecast. Economic impacts can be based on simulations of the model.
- The Oregon Tax Incidence Model (OTIM) was developed by LRO in cooperation with economists from Oregon State University and Washington State University in 2001. The model has recently been updated. OTIM is a long term model designed to show how major tax changes affect economic activity and the distribution of the tax burden.