

HB 5035

Department of Revenue

HB 5035 is the budget bill for the Department of Revenue. The Department is primarily responsible for the consistent application of the state's property tax program and enforcement of Oregon's income tax laws.

The General Government Subcommittee approved a total budget of \$281.3 million, which includes a General Fund budget of \$180.3 million and an Other Funds budget of \$101 million. The total funds budget is a 21.8% increase from the 2013-15 legislatively approved budget. The budget includes 1,042 positions and 975.34 FTE.

The large increase in the agency's Other Funds budget reflects moving \$63.6 million in existing payments to counties into the budget. In prior biennia, these payments had been transfers of revenue outside of the budget process. This action was undertaken to increase the transparency of the agency's budget.

The budget includes new resources for fraud analytics and detection that will complement the Core Systems Replacement project.

A \$1.8 million General Fund special purpose appropriation to the Emergency Fund is established to address declining revenue in the County Assessment Function Funding Assistance Account in the Property Tax Division.

The budget report includes three budget notes. The first directs the agency to report on its cash management, debt write-off, and audit processes, all in an effort to improve

collections. The second budget note directs a report on its recovery of non-tax debt owed the state. The final budget note directs the agency to report on its readiness to proceed with implementing the personal income tax program portion of its Core Systems Replacement project.

The Subcommittee approved the Department's key performance measures and targets.

The General Government Subcommittee recommends HB 5035 be amended by the -1 amendment and be reported out do pass, as amended.