

STAFF MEASURE SUMMARY**Senate Committee On Finance and Revenue****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 04/02/15**Action:** Do Pass With Amendments And Requesting Referral To Ways And Means.
(Printed A-Engrossed.)**Meeting Dates:** 03/25, 04/01, 04/02**Vote:**

Yeas: 4 - Baertschiger Jr, Boquist, Hass, Riley

Nays: 1 - Edwards

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WHAT THE MEASURE DOES:

Directs Department of Revenue to distribute funds previously transferred to the Shared Services Fund. Modifies distribution of income tax revenue estimated from wages associated with Strategic Investment Program projects. Extends allocation of identified income tax revenue from 2019 to 2029. Modifies implementation of sunset by making agreements for eligible projects reached prior to the sunset date eligible for payments for the life of the agreement.

ISSUES DISCUSSED:

- History of Gain Share (Shared Service Fund) program.
- Links between Gain Share and Strategic Investment Program.
- Impact of economic growth on local governments.
- Need for additional resources for education programs.
- Intent of allocation to technical training programs and university extension programs.
- Impact of allocations to county on state General Fund.
- Sunset mechanism.

EFFECT OF COMMITTEE AMENDMENT:

The 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 for Oregon State University extension programs and 15% to the Department of Education for expansion of career and technical education programs.

BACKGROUND:

The Shared Service Fund was established by the 2007 Legislature with the passage of SB 954. Allocations to the fund are based on 50% of the estimated personal income tax collections from the wages of workers associated with eligible Strategic Investment Program projects.