

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
78th Oregon Legislative Assembly
2016 Regular Session
Legislative Revenue Office

Bill Number: HB 4086
Revenue Area: Unemployment Insurance
Economist: Dae Baek
Date: 2/4/2016

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description: Provides for temporary lockout benefits for an individual who is unemployed due to a statutorily defined labor lockout, when the individual is not eligible for any other unemployment benefits. Specifies that the amount of the lockout benefit be equal to the individual's most recent weekly unemployment benefit claim. Caps these temporary lockout benefits. Allows retroactive payment of temporary lockout benefits to those individuals who are unemployed due to lockouts at the time of this measure's passage. Takes effect on passage.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
Unemployment Insurance Trust Fund	-\$1.9	indeterminate	indeterminate	indeterminate	indeterminate

Impact Explanation: The Oregon Employment Department (OED) estimates that the passage of this bill will immediately allow about 130 individuals to be eligible for temporary lockout benefits. With the 26-week maximum limit of benefit payments and \$567 average weekly benefit amount, OED projects that there will be additional benefit payment of up to \$1.9 million for the current fiscal year and loss of interest earnings due to the payment, which lowers the Trust Fund balance.

If current lockout environment were to replay in future years, the estimated annual maximum benefit payment and loss of interest earnings would total about \$2 million. However, there is good chance that actual loss to the Trust Fund could be quite different from this estimate. The frequency and duration of lockouts, and the characteristics of unemployed workers due to lockouts, among other things, will impact actual loss to the Fund. Consequently, revenue impact from this measure in future fiscal years is considered indeterminate.

Creates, Extends, or Expands Tax Expenditure: Yes No