

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 5702 - A

78th Oregon Legislative Assembly – 2016 Regular Session
Legislative Fiscal Office

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

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Date: 2-25-2016

Measure Description:

Approves certain new or increased fees adopted by state agencies.

Government Unit(s) Affected:

Board of Accountancy, Board of Medical Imaging, Department of Aviation, Department of Consumer and Business Services (DCBS), Oregon Liquor Control Commission (OLCC), Real Estate Agency

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

SB 5702 is the fee ratification bill for the Board of Accountancy, Board of Medical Imaging, Department of Aviation, Department of Consumer and Business Services (DCBS), Oregon Liquor Control Commission (OLCC), and Real Estate Agency. The measure provides the enabling legislation necessary to approve fees adopted by these agencies through Administrative Rule, and approved by the Department of Administrative Services during the 2015-17 biennium. ORS 291.055(1)(e) mandates that all new state agency fees or fee increases adopted between regular sessions of the Legislative Assembly are rescinded upon adjournment of the next regular session unless authorized by enabling legislation setting forth the approved fees.

Board of Accountancy

The Oregon Board of Accountancy made changes in fees for the application, permitting, and renewal to practice accountancy for both individuals and firms. A fee increase was necessary as the Board has had increases in expenses without growth in the number of licensees. The Board worked with industry associations to negotiate a fee increase necessary to maintain adequate cash flow and appropriate ending fund balance for the Board. The fees are anticipated to generate approximately \$486,980 Other Funds revenue during the 2015-17 biennium.

Board of Medical Imaging

HB 2880 (2015) created a provision for physician assistants to perform fluoroscopy after passing a national exam and receiving a limited permit from the Board of Medical Imaging. The bill authorized the Board to adopt rules to establish fees and requirements for the permit. The Board adopted rules to establish fees as directed and administratively implemented the fees January 1, 2016. The fee changes are expected to generate approximately \$9,450 Other Funds revenue in 2015-17, with \$5,250 of that being passed through to the agency providing the national exam.

Department of Aviation

The Department of Aviation administratively adjusted tie-down fees from airport tenants at state-owned airports from a calculated percentage to a flat \$10 per month fee. Previously, the percentage calculation which was based on fair market value was variable from airport to airport and were difficult to administer and collect. The simplified new fee structure is anticipated to increase fee revenue by \$7,560 Other Funds in 2015-17 and \$10,080 Other Funds in 2017-19.

Additionally, the Department of Aviation has established registration fees for Unmanned Aerial Systems (UAS) as allowed by HB 2710 (2013). These annual fees are \$25 for UAS weighing less than 55 pounds and \$50 for UAS weighing more than 55 pounds. The fees are estimated to generate \$9,000 Other Funds revenue in 2015-17 and \$21,000 Other Funds in 2017-19.

Department of Consumer and Business Services (DCBS)

Senate Bill 1 (2015) allowed DCBS to establish by rule an administrative charge against all insurers participating in the Oregon Health Insurance Marketplace. These fees were set during the interim following the close of the 2015 legislative session. The rates set by DCBS for both the 2015 and 2016 plan years mirrored the rate that had been established by Cover Oregon of \$9.66 per-member, per-month for insurers offering qualified health plans; and \$0.97 per-member, per-month, for insurers offering stand-alone dental plans.

Oregon Liquor Control Commission (OLCC)

Pursuant to House Bill 3400 (2015), the OLCC has established nineteen fees associated with the regulation of marijuana. Fees are assessed for the following: application for licensure; issuance of producer, processor, wholesaler and retailer licenses; change requests; required background checks; and late fees. Fees are also assessed for regulated laboratories, researchers, and marijuana handlers. Fees must recover costs of the program, which include expenses for management and policy personnel, inspectors, associated services and supplies, and a share of agency overhead to cover the program's share of facilities, the director's office, and commission expenses.

The fees are expected to generate \$5.9 million in the current biennium; the difference between fee revenue and current biennium expenses are authorized to be funded by a transfer of marijuana tax revenue pursuant to SB 605 (2015), after the Department of Revenue recovers its expenses for tax collection, and before distribution to statutorily designated tax beneficiaries. For the 2017-19 biennium, these fees are likely to be updated as experience informs the evaluation of actual costs.

Real Estate Agency

The Real Estate Agency has administratively increased the Land Development fee from \$46 to \$200 per hour. This fee has not been increased in approximately two decades. It is associated with the Agency's review of condominium filings and is paid primarily by developers looking to develop condominium projects. The fee is expected to generate \$169,708 Other Funds per biennium.