

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office

Bill Number: SB 254 - 2
Revenue Area: State Finance
Economist: Paul Warner
Date: 3-20-17

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

Measure Description:

Requires financial institutions to participate in data match system established by Department of Revenue to identify assets held at financial institutions by delinquent debtors.

Revenue Impact (in \$Millions):

Biennium	General Fund	Other Fund	Total
2017-19	\$1.7	\$0.3	\$2.0
2019-21	\$7.0	\$1.2	\$8.3
2021-23	\$8.6	\$1.5	\$10.2

Impact Explanation: Estimates are based on projected increase in the rate of successful garnishments above current law assumptions due to the data match system. Under current law, the success rate is estimated at 23.6% of possible accounts. The number of possible accounts is expected to grow 2% annually. Based on data from the Department of Revenue, the average garnishment is estimated at \$1,179 in 2014. This is projected to increase 4% annually.

Under SB 254, the successful garnishment rate is expected to gradually rise to 26.5% by 2020 and then remain at that level. Applying the higher projected garnishment success rate from the data match to the projected number of accounts subject to bank garnishments and the average projected garnishment produces the revenue impact estimates. Based on past collection activity, 85% of the additional revenue is expected to be General Fund.

Creates, Extends, or Expands Tax Expenditure: Yes No