

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

Measure: SB 109 - 1

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

Prepared by: Kim To
Reviewed by: Ken Rocco, Paul Siebert, Matt Stayner
Date: 2/20/2017

Measure Description:

Establishes Task Force on Statewide Earthquake Insurance for Residential Property and specifies composition of task force membership.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Department of Consumer and Business Services (DCBS),
Legislative Assembly

Analysis:

Senate Bill 109 with the - 1 amendment establishes the 17-member Task Force on Statewide Earthquake Insurance for Residential Property charged with exploring options for providing earthquake insurance coverage for residential property owners, including exploring the feasibility of establishing a self-funded state-run or public-private insurance entity to provide earthquake insurance. Two representatives from the Department of Consumer and Business Services (DCBS), and one representative from the Department of Administrative Services are directed to serve on the task force. DCBS is also required to provide staff support to the task force. Non-legislative members of the task force serve as volunteers and are not entitled to compensation and reimbursement.

The - 1 amendment adds the Association of Oregon Counties and the Oregon Emergency Management Association to the list of representatives on the task force. The - 1 amendment does not change the original indeterminate fiscal impact.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this bill on DCBS is indeterminate depending on the scope of work undertaken by the task force. Although DCBS anticipates reprioritizing duties and responsibilities of existing staff to support the task force, the bill authorizes the task force to carry out wide-ranging and undefined activities that may require outside expertise and additional resources, including:

- Conducting original research and studies.
- Acquiring research, testimony, advice, consultation and information from experts in the fields of disaster preparation and management, risk assessment and management, insurance coverage and related topics.
- Undertaking any activities necessary to carry out the task force's charge.

If the task force determines that it would need to contract these activities to a consultant with specialized expertise, it is assumed that DCBS would be required to fund these activities. These costs cannot be quantified until the task force convenes and defines the scope of these activities.

Legislative Assembly

Four members of the task force will be legislative members who are entitled to per diem and travel reimbursement. Although the 2017-19 Legislative Branch budget contains funds allocated for interim committee and task force, if the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2017-19 budget, additional General Fund resources may be required.

Department of Administrative Services (DAS)

The fiscal impact of this bill to DAS is indeterminate depending on the level of contribution required of the agency. The bill requires DAS to appoint a representative to the task force. DAS anticipates reprioritizing duties and responsibilities of existing staff to allow participation on the task force. However, if DAS is expected to perform additional research and/or data collection, these costs cannot be quantified until the task force convenes and defines the scope of this work.