

FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: HB 3180 - A

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

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Measure Description:

Authorizes Department of Revenue and units of local government to disclose to each other information related to administration of transient lodging tax laws.

Government Unit(s) Affected:

Cities, Counties, Department of Revenue(DOR)

Summary of Expenditure Impact:

See analysis

Analysis:

This bill allows local governments and the Department of Revenue to exchange confidential information on transient lodging taxpayers.

Department of Revenue

The Department of Revenue anticipates a quarterly electronic exchange of information either through Revenue Online or an automated data transfer. The Department would need to: (1) develop a form for local governments and DOR to request the information, (2) implement an automated method for exchanging data, and (3) create a secrecy agreement to ensure that confidentiality of the information is maintained.

The bill requires DOR to develop rules, in consultation with local governments, regarding the format and timing of the data exchange and the certification requirement. DOR anticipates 150 hours of policy analyst time, in addition to travel expenses, for rule-making. In addition, 80 hours of policy analyst time would be needed to develop and implement a communication plan to connect with local governments and create the form to be used for requesting information. There would be an ongoing cost of 180 hours of program analyst time per year to manage compliance and communication with local governments and coordinate with IT services. Total Other Funds costs for these activities is estimated to be \$18,098 in the 2017-2019 biennium and \$26,790 in the 2019-21 biennium.

One-time IT services would be needed to develop the electronic data exchange. DOR assumes two methods of exchanging information will be made available to local governments (Revenue Online or FTP), but adoption of administrative rules in consultation with local governments will determine the actual formats. Depending on what processes are used, configuration changes may be needed for Revenue Online, FTP data transfer, GenTax and the data warehouse. DOR estimates Other Funds expenditures of \$105,300 in the 2017-19 biennium for IT services, including 540 hours for a Developer, 420 hours for Business Analysis and 210 hours for a technical team to complete the necessary configuration work.

DOR is authorized to use up to 2% of state lodging tax revenues for program administration. The 2% expenditure cap for the 2017-19 biennium is estimated by the Legislative Revenue Office to be approximately \$600,000. The expenditures estimated by DOR for this bill use approximately 22% of that limited amount. It is unknown at this time if the costs for this bill would cause DOR to exceed the cap for the 2017-19 biennium.

Cities and Counties

Local governments may experience some minimal costs to comply with requests from the Department of Revenue. Local governments can refuse a request from DOR if they deem it to be unduly burdensome or expensive.