

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 745

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

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

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Measure Description:

Establishes Ocean Beach Fund.

Government Unit(s) Affected:

Oregon Parks and Recreation Department (OPRD), Oregon State Treasurer, Oregon Tourism Commission (Travel Oregon) [Semi-Privatized], Oregon Department of Revenue

Summary of Expenditure Impact: See Analysis

Summary of Revenue Impact: Oregon Parks and Recreation Department		
	2017-19 Biennium	2019-21 Biennium
Other Funds	311,444	326,672
Total Funds	\$311,444	\$326,672

Analysis:

SB 745 establishes the Ocean Beach Fund in the State Treasury, separate and distinct from the General Fund, continuously appropriates the moneys in the fund to OPRD and credits interest earned back to the fund. The bill sequesters state lodging tax revenue collected at OPRD recreation areas located along the ocean shore, and transfers it to the Ocean Beach Fund. Monies in the fund must be used for managing state recreation areas along the ocean shore, which includes, but is not limited to:

- Visitor safety;
- Emergency responses;
- Beachfront armoring and sand management;
- Marine debris response and removal;
- Increased tourism;
- Growing demand for beachfront development; and
- Responses to increasingly severe storm and erosion events.

The OPRD estimates state lodging tax revenue at recreation areas located along the ocean shore to be \$311,444 for the 2017-19 biennium, and \$326,672 for the 2019-21 biennium. Additional Other Funds expenditure limitation will be required for OPRD.

The state lodging tax is collected by the Department of Revenue (DOR) and distributed to Travel Oregon. Prior to distribution, DOR holds two percent of the monies collected as reimbursement for administering the program. Monies distributed to Travel Oregon help support the general operations of Travel Oregon and two programs within Travel Oregon, the Regional Cooperative Tourism Program and a competitive grants program. SB 745 would result in a 20% reduction in funds available for the Regional Cooperative Tourism Program, and a 10% reduction in funds available for the competitive grants program, as well as a reduction of \$137,200 for general operations. The Legislative Fiscal Office notes that the Oregon Tourism Commission is a semi-privatized state agency. The agency’s budget is not subject to Executive Branch review, or approval or modification by the Legislative Assembly. It is anticipated that the bill will have a minimal fiscal impact on the Oregon State Treasurer and the Oregon Department of Revenue.