

FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: HB 2770 - A

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

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Measure Description:

Repeals property tax exemption for certain communication infrastructure. Establishes Task Force on Broadband Communications Infrastructure.

Government Unit(s) Affected:

Department of Revenue(DOR), Cities, Counties, Business Development Department (Business Oregon), Public Utility Commission (PUC)

Analysis:

This bill repeals a property tax exemption available to centrally-assessed companies that build, maintain and operate a qualified communications infrastructure project in Oregon. The -4 amendment establishes the Task Force on Broadband Communications Infrastructure comprised of four members of the Legislative Assembly and the Director of the Oregon Business Development Department.

Legislative Assembly

Four members of the task force will be legislative members who are entitled to per diem and travel reimbursement. The estimated per diem and travel reimbursement cost for the four legislative members is \$804 per day. This amount includes the Federal Insurance Contribution Act (FICA) tax, and assumes per diem remains at \$142 per day, and the average mileage of 90 miles at the current rate of \$0.535 per mile. Although the 2017-19 Legislative Assembly budget contains funds allocated for interim committees and task forces, 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. The task force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol during Legislative Session, Task Force or Legislative Days.

Oregon Business Development Department (OBDD)

The fiscal impact of this bill to OBDD is indeterminate depending on the level of contribution required of the agency. The bill specifies that the Director of OBDD or their designee is a member of the task force who serves as a volunteer and is not entitled to reimbursement for expenses. OBDD is also directed to staff the task force. OBDD anticipates reprioritizing the duties and responsibilities of existing staff to support the task force. However, if OBDD 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.