

HB 2118 -1, -2 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 2/4, 2/14

WHAT THE MEASURE DOES:

Updates the index used to calculate inflation and cost of living adjustments throughout Oregon statute. Replaces the discontinued Portland-Salem CPI with the West Region CPI throughout statute.

ISSUES DISCUSSED:

- Discussed statutes related to Tort Claims Act liability limits and appearing in SB 186

EFFECT OF AMENDMENT:

-1 Removes statutes affected by SB 186 (ORS 30.271, 30.272, 30.273) from the bill. .

-2 Adds to statute a link to the West Region CPI for use by ODOT in determining whether tariff rate increases are justified. Allows ODOT to compare the West Region CPI during the most recent rate increase to the West Region CPI at the time of the requested rate increase determination.

BACKGROUND:

Previously, Oregon used the "Portland-Salem, OR-WA, Consumer Price Index (CPI) for all Urban Consumers for All Items" in cost of living adjustments. The CPI is a measure of inflation produced by the Bureau of Labor Statistics (BLS) on a monthly basis. In 2018, the BLS revised the geography for CPI estimates and discontinued the Portland-Salem CPI as part of that revision.

The -1 amendment removes statutes affected by SB 186 from HB 2118. SB 186 changes the cost of living index from the discontinued Portland-Salem CPI to the West Region CPI for Total Claims Act liability limits. SB 186 includes an emergency declaration and retroactively applies to January 1st, 2019 onward. Since emergency declarations cannot be included in tax-related bills, this amendment removes statutes affected by the emergency clause.