

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2352 - 5

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Creates towed watersports program within State Marine Board.

Government Unit(s) Affected:

Oregon Judicial Department (OJD), Oregon State Marine Board (OSMB)

Summary of Fiscal Impact:

Costs related to the measure will require budgetary action - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
Other Funds	124,000	124,000
Total Funds	\$124,000	\$124,000
Positions	1	1
FTE	0.50	0.50

Summary of Revenue Impact:

	2019-21 Biennium	2021-23 Biennium
Other Funds	124,000	124,000
Total Funds	\$124,000	\$124,000

Analysis:

The legislation creates a towed watersports program within the State Marine Board (OSMB) and authorizes the collection of a fee for the issuance and renewal of a two-year towed watersports endorsement decal which is applicable only to waters within the Newberg Pool Congested Zone. The program must provide safety and best practices education, address wave management techniques, compile information regarding motor boats for which the towed watersports decal was issued, set minimum standards of competency for licensing, create a towed watersports endorsement course, and create an equivalency examination to substitute for the course. The definition of wake surfing and wakeboarding are defined by OSMB by rule.

OSMB may appoint agents to issue endorsements and those agents will collect the endorsement fee with an additional \$2 service charge. Fees collected by OSMB for the program must support the costs of administering and implementing the towed water sports program and to assist with paying the costs of law enforcement activities related to towed watersports on waters of this state. Owners of motorboats within water of the Newberg Pool Congested Zone are required to display the towed watersports endorsement; failure to do so is a Class B violation. A repeat violator of this section could be charged with a Class A violation, and the court would be required to order the person not to operate a boat for a year and to complete a safe boating education course. Violations of additional laws which, if violated multiple times, would require the court to issue a notice of suspension to the OSMB, which will result in the suspension of the person’s towed watersports endorsement and towed watersports motorboat certificate.

Oregon State Marine Board (OSMB)

OSMB anticipates charging a fee of \$124 for each bi-annual towed watersport endorsement with an estimated 1,000 transactions per biennium for a projected revenue of \$124,000 per biennium. One additional permanent half-time Program Analyst 2 position would be needed to develop the towed watersports education program and administer the endorsements; this position is estimated \$100,362 for 0.50 FTE in per biennium. Licensing system development costs are not anticipated, as the agency plans to track the endorsements in an Excel spread sheet. Printing and mailing costs for the decals are estimated at \$15,000 per biennium. Rulemaking costs and additional workload associated with tracking violations are anticipated to be absorbed within existing expenditure limitation already provided to the agency. Total revenue less the aforementioned program costs will be applied to law enforcement contracts as specified in Section 4(b) in the bill; this transfer amount is estimated at roughly \$8,638 per biennium.

The -5 amendment increases Other Funds limitation to OSMB by \$476,139 in the 2019-21 biennium and the estimated fiscal costs to implement the program are \$115,362 per biennium with an remaining fund balance transfer to law enforcement of \$8,638; therefore an end of session adjustment will be made to reduce Other Funds expenditure limitation by \$352,139 for the 2019-21 biennium so that expenditure limitation reflects the actual costs of the program.

Oregon Judicial Department (OJD)

The fiscal impacts to the Judicial Department, as a result of filing additional circuit court cases, is anticipated to be minimal and absorbable within existing budgetary parameters.