

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3589 - 4

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Establishes the Short Term Rental Task Force.

Government Unit(s) Affected:

Housing and Community Services Department, Legislative Policy and Research Office, Task Force/Committee/Workgroup, Cities, Counties, Department of Revenue, Legislative Assembly

Summary of Fiscal Impact:

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

Analysis:

HB 3589 - 4 creates the 13-member Short Term Rental Task Force which is to study and make a recommendation for legislation to assist local governments with the regulation and taxation of short-term rentals. The task force is to report to an interim committee of the Legislative Assembly related to housing no later than September 15, 2024. Members of the task force who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for expenses and serve as volunteers on the task force. The bill directs the Legislative Policy and Research Office to provide staff support for the task force, and the task force sunsets on December 31, 2024. The measure takes effect on the 91st day after the Legislative Assembly adjourns sine die.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.

Legislative Policy and Research Office

The bill requires the Legislative Policy and Research Office (LPRO) to provide staff support to the task force. LPRO assumes a minimal fiscal impact through the use of existing staff to provide support to this Task Force. Assuming monthly meetings over 12 months, this will require one Senior Legislative Analyst assigned part-time to the task force (0.31 FTE), one Research Analyst assigned part-time to the task force (0.31 FTE), and one Committee Assistant assigned with one-third of their time to the task force (0.21 FTE), at a total cost of \$302,251 using existing General Fund resources. Although LPRO's current service level budget supports 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 2023-25 budget, additional General Fund resources may be required.

LPRO notes that if the analysis required under this measure includes revenue estimates related to transient lodging taxes, the agency may need to seek support from the Legislative Revenue Office (LRO), though the fiscal impact for LRO would likely be minimal.

Legislative Assembly

The bill is expected to have a minimal impact on the Legislative Assembly. Four members of the task force will be legislative members who are entitled to per diem and travel reimbursement. Meetings are set by the chairperson and it is unknown how often the task force would meet. However, assuming the task force meets eight times during the approximate 12-month period until its report is due September 15, 2024, the estimated per diem and

travel reimbursement costs will total \$9,000. This amount includes the Federal Insurance Contribution Act (FICA) tax, assumes the per diem remains at \$157 per day, and estimates an average mileage of 171 miles at the current rate of \$0.655 per mile. This estimate could change based on the number of meetings held. The task force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during the Legislative Session, or Task Force or Legislative Days.

Although the 2023-25 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 2023-25 budget, additional General Fund resources may be required.

Other agencies

There is no fiscal impact for Housing and Community Services Department, Counties, Department of Revenue, or Cities.