

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2757 - A7

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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Prepared by: MaryMichelle Sosne

Reviewed by: Amanda Beitel, Tom MacDonald, Doug Wilson, John Terpening, Steve Robbins

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### Measure Description:

Expands and provides funding for coordinated crisis services system including 9-8-8 suicide prevention and behavioral health crisis hotline.

### Government Unit(s) Affected:

Task Force/Committee/Workgroup, Department of Emergency Management, Cities, Department of Revenue, Oregon Health Authority

### Summary of Fiscal Impact:

The measure establishes a tax for the statewide 9-8-8 crisis hotline and mobile crisis response system. The measure is anticipated to have a minimal fiscal impact on the Oregon Health Authority but will require budgetary adjustments with respect to the availability of the new tax to support expenditures. The measure is expected to have a minimal, or potentially higher than minimal, fiscal impact on the Department of Revenue for administration of the tax.

### Analysis:

HB 2757-A7 establishes the 9-8-8 Trust Fund for improving the statewide coordinated crisis system, including maintaining and improving 9-8-8 suicide prevention and the behavioral health crisis hotline. The measure establishes a monthly tax of 40 cents per line on consumers and retail subscribers who have a telecommunications or interconnected Voice over Internet Protocol (VoIP) service and 40 cents per transaction for prepaid telecommunications services. Receipts from the new tax, which takes effect January 1, 2024, and sunsets January 1, 2030, are expected starting in April 2024. The Legislative Revenue Office estimates the tax will generate approximately \$32.9 million in 2023-25 and \$54.1 million in 2025-27.

Revenue from the tax must be used for the crisis call center system and hotline center. To the extent the system and center are fully funded, the tax revenue can be used for the expansion and ongoing funding of mobile crisis intervention teams. The measure also authorizes other forms of revenue to be deposited into the trust fund, such as General Fund appropriations, federal grants, and gifts or donations. Moneys other than revenues from the tax may be used for a wide array of crisis stabilization services.

Moneys available in the 9-8-8 Trust Fund are continuously appropriated to the Oregon Health Authority (OHA) for the specified purposes. OHA is required to establish an advisory committee to provide primary oversight and direction on program implementation. OHA must annually report to the Legislature and Federal Communications Commission on deposits and expenditures from the trust fund, and revenue generated by the tax. The measure requires cities to enter into a memorandum of understanding with counties when establishing programs for providing mobile crisis services.

### Oregon Health Authority

The measure is anticipated to have a minimal fiscal impact on OHA when considering the agency's existing budget for the statewide 9-8-8 coordinated crisis system. The measure will, however, result in the need for budgetary adjustments.

The statewide 9-8-8 crisis system is currently funded in OHA's budget with General Fund and federal Medicaid match in the agency's 2021-23 legislatively approved budget and a policy option package (POP 404) funded in the agency's 2023-25 budget bill (SB 5525). The 2023-25 funding, which is meant to implement the system statewide, totals \$39.6 million General Fund and \$29.3 million Federal Funds. In utilizing the \$33 million in new tax revenue generated under the measure, the 2023-25 General Fund can be reduced by \$26.4 million. The remaining \$13.2 million General Fund is necessary for one-time start-up costs of expanding the system statewide and addressing the gap between the beginning of the 2023-25 biennium and when the tax receipts will be available in April 2024. The agency's Other Funds expenditure limitation will also need to be increased by \$33 million for the agency to expend the available tax revenue. In anticipation of the adoption of this measure, these adjustments are included in SB 5506 (2023), which is the budget reconciliation bill for the 2023-25 legislatively adopted budget.

#### Department of Revenue

The Department of Revenue (DOR) anticipates some costs in collecting and administering this revenue source including making changes to its information technology systems. The measure authorizes DOR to retain up to 0.6 percent of these revenues for the actual costs incurred by the agency in administering the tax. If DOR requires additional expenditure limitation for this, the agency can return and request it during the 2024 legislative session or a future Emergency Board meeting.

The measure has an indeterminate impact on cities and is dependent on the amount of funding each city receives for implementation and sustaining the requirements of the measure. The measure has no fiscal impact on the Department of Emergency Management.