

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3272 - A**

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:

Permits Secretary of State to share and communicate with approved organizations information about ethnicity, domicile and veteran status of owner or principal of large business that applies for or renews license, permit or registration in this state.

Government Unit(s) Affected:

Cities, Secretary of State, Counties, Special Districts Association of Oregon

Summary of Fiscal Impact:

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

Analysis:

HB 3272 - A directs the Business Registration Information Center within the Office of the Secretary of State to include business registration requirements for agencies of local government; and to share information with organizations that are community-based, foster economic development, and engage in efforts to increase the number of businesses owned by women, minorities, and veterans. The measure also permits the Secretary of State to collect information about the ethnicity, gender, veteran status, address, and email address for each owner and principal of a business that applies for or renews a business registration; and to share this information with the previously mentioned organizations. The requirements in this paragraph are operative January 1, 2027, and the measure takes effect on the 91st day after the Legislature adjourns sine die.

The Office of the Secretary of State anticipates costs of \$130,993 Other Funds in the 2023-25 biennium, and \$595,979 Other Funds in the 2025-27 biennium, which includes two new positions as well as additional funding for other implementation costs:

- One limited-duration, full-time Information Systems Specialist 7 (0.25 FTE in 2023-25, 1.00 FTE in 2025-27), to document system requirements and develop an implementation plan. This position would phase out at the end of the 2025-27 biennium.
- One full-time Compliance Specialist 3 position (0.25 FTE in 2023-25, 1.00 FTE in 2025-27) to conduct rulemaking and work with community-based organizations.
- Additional funding totaling \$72,000 in the 2025-27 biennium for business intelligence software.

Other Funds are derived from Corporations Division revenues. Because excess revenue in this division is transferred to the General Fund, this measure could impact the amount of General Funds revenue available for other purposes.

There is an additional indeterminate cost related to an increase in call/email volume, and the additional time it will take to review business filings. The Office of the Secretary of State initially estimates that up to seven new Public Service Representative 4 positions could be needed due to this additional work, but further analysis of this increase in workload is required. The agency will need to request any additional position authority in the context of current resources and work volume during the 2025-27 budget process.

Additional costs would be incurred in the 2027-29 biennium, but these are outside of the two biennia scope of this fiscal impact statement and should be addressed through the regular budget process. This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.