REVENUE MEASURES PASSED BY THE 80th LEGISLATURE 2019 Session

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INDEX BY BILL NUMBER

2019 REVENUE MEASURES PASSED OVERVIEW

Revenue Policy Environment

The economic expansion that started in July 2009, following the end of the Great Recession, continued through the 2017-19 biennium. As of August, the current expansion became the longest on record at 122 months, according to the National Bureau of Economic Research. Just passing the prior record of 120 months from March of 1991 to February 2001. Oregon's economy has also continued to expand and is expected to continue growing throughout the upcoming 2019-21 budget period. Barring any risks (unexpected negative shocks) to the forecast, growth is expected to slow but remain positive.

Despite projected growth in the economy during the 2017-19 biennium, tax collections grew even faster. General Fund revenue exceeded the close-of-session forecast by just over $2.2 billion, or 11.5 percent. The personal kicker is roughly $1.57 billion to be credited against 2019 personal income tax liabilities during the 2019-21 biennium. A corporate 'kicker' of $676 million is also projected and be dedicated to K-12 spending for the biennium.

Similar to the prior biennium, the state was faced with a potential budget shortfall as the 2019 session began. From a current services level perspective, the Legislature was faced with a potential revenue shortfall of roughly $600 million going into the 2019-21 biennium. The primary drivers of the shortfall were projected to be rising costs of the state's Medicaid program (i.e. funding for the Affordable Care Act), Measure 98 (which requires increased funding for career and technical education spending), inflation, personal costs, and human service caseload projections. Implementation of the ACA requires states to increase their share of covered costs over time and some of the taxes used to fund the program were scheduled to sunset.

In addition to these factors, there was a desire to dramatically increased education funding. To that end, the Legislature established the Joint Committee on Student Success. The committee traveled the state throughout 2018 and sought input from a variety of stakeholders concerning funding needs as well as potential revenue sources. The committee was re-established for the 2019 legislative session, consisting of three subcommittees: Accountability and Transparency, Early Childhood Education, and Revenue. The culmination of that work resulted in HB 3427, which created a Corporate Activity Tax and outlined how the revenue is to be spent. Further details on the bill are found in the body of this report.

As the 2019 session came to a close, there were heightened concerns regarding the possibility of a recession. Given the length of the current expansion period it's safe to say that we've entered a mature phase of the expansion. However, certain cracks are beginning to appear that may, eventually, be early signs of the next recession -- whenever that may come. At the federal level, both employment and GDP were recently revised down, suggested a weaker or slower growing economy than had previously been projected. While growth is expected to remain positive in the short-term, economists have expressed increased concern about the ability of the economy to maintain that trajectory.

Monetary policy and the trade dispute are weighing on projections for the economy. Stakeholders are following the Federal Reserve as it tries to manage the country's monetary policy during a period of flux with respect to federal policies. The current trade dispute between the U.S. and China is certainly weighing on the minds of businesses as they evaluate their investment and hiring plans. On the upside for households, the strong labor market should mean increased wages for worker.

Oregon is still experiencing growth in employment, income, and state GDP. The pace of job growth has slowed, but that's to be expected during the mature phase of an economic expansion. Oregon businesses generally face the same aspects of uncertainty as elsewhere in the country, which may add a degree of caution, or limit the extent, to which businesses make further investments or hires. Notable concerns related to the trade war are the possible affects on the agriculture sector and the technology sector.

Projected General Fund Revenue for the 2019-21 Biennium

The 2019-21 Legislatively Adopted Budget (LAB) is based on the May economic and revenue forecast adjusted for actions taken by the Legislature.

2019-21 Legislatively Adopted Budget Revenue Forecast
General Fund, $M

Beginning Balance	$2,321.6
Allocation to Rainy Day Fund	-$199.4
Short-Term Interest Costs	-$10.4
Projected General Fund Revenue	$21,323.7
Shared Revenues	-$45.3
Corporate Income Tax to Rainy Day Fund	-$158.3
Subtotal	$23,232.0
Legislative Actions	
Medical Provider Taxes (HB 2010)	-$5.0
Tax Expenditure Extensions (HB 2164)	-$70.5
Rural Medical Provider Tax Credit (HB 2847)	-$0.2
Corporate Activity Tax - Income Tax Rates (HB 3427)	-$423.0
Court Filing Fees (HB 3447)	$3.1
DOR Tax Compliance (SB 523 and HB 5033)	$2.5
OLCC Fees (SB 248)	$5.2
DOC Collections (SB 980)	$0.5
Fund Shifts and Other Adjustments	$181.6
Subtotal	-$305.9
Total Resources	$22,926.1

Projected General Fund resources, including the beginning balance, are estimated at $22,926.1 million for the 2019-21 biennium. This compares with an estimated $20,054.1 million for the 2017-19 biennium. The estimates for 2019-21 include the impact of the kicker.

Given the advanced age of the current economic expansion, the cyclical nature of Oregon's durables goods manufacturing oriented economy and the volatility of General Fund revenue, the state's reserve fund position entering the new biennium is critical. The balances in Oregon's two reserve funds (the Education Stability Fund and the Oregon Rainy Day Fund), established during the turbulent 2000-2010 period, are at historic highs entering the 2019-21 biennium.

The two reserve funds have a combined balance of roughly $1,288 million following the 2017-19 biennium. These balances are projected to grow to nearly $1,761 million by the end of the 2019-21 biennium. When combined with the projected $817 million General Fund ending balance, the state's reserves are 11.5% of LAB expenditures. This level should be sufficient to cover revenue declines in a mild to moderate recession.

For a detailed discussion of the 2019-21 Legislatively Adopted Budget see "2019-21 Budget Highlights" released by the Legislative Fiscal Office.

Major 2019 Revenue Legislation

This section summarizes five major revenue bills. HB 3427, referred to as the Student Success Act, creates a Corporate Activity Tax (CAT) dedicated to school funding. The second (HB 2164) contains policy modifications and clarifications to the CAT as well as serving as the 2019 tax expenditure omnibus bill. The third contains the revenue elements of the health care funding plan (HB 2010) and the fourth (HB 2005) establishes a Paid Family Medical Leave policy. The fifth revenue bill (HB 2270) represents a significant change to the taxation of tobacco and related products and is scheduled to go to voters in November of 2020.

HB 3427

Referred to as the Student Success Act, the core revenue policy is the creation of the Corporate Activity Tax (CAT). It is a 0.57 percent tax on commercial activity in Oregon above one million dollars. The calculation of the tax includes a 35 percent deduction for the larger of cost of goods sold or employee labor costs. Certain items and entities are exempt, such as the wholesale or retail sale of groceries and entities subject to the Medical Provider Taxes. The bill also contains a reduction of 0.25 percentage points for the bottom three personal income tax rates -- from 5%, 7%, and 9% to 4.75%, 6.75%, and 8.75%. The net revenue impact for 2019-21 is projected to be $1,175 million. The Fund for Student Success (FSS) is estimated to receive $1,598 million while the General Fund (GF) is estimated to have a revenue loss of $423 million. The GF loss due to the income tax rate reductions is to be offset by a transfer from the FSS.

HB 2164

This bill consists of two policy themes. First, it contains certain technical and policy modifications or clarifications to the CAT created in HB 3427. Examples include the clarification of how insurance companies are taxed and how 'cost inputs' is defined. Second, it serves as the 2019 biennial omnibus tax expenditure bill. It extends all nine tax credits under review for the biennium. The most notable of which may be the extension and expansion of the earned income tax credit, which was increased by one percentage point. A tax credit for short-line railroads was created and the tax credit for IDA contributions was enhanced by increasing its value from 70 percent of donations to 90 percent. Other tax expenditure policies included in the bill pertain to property taxation of low-income housing, historic property, and food processing equipment. For 2019-21, the bill generates a revenue loss of just under $71 million to the GF, $2 million to the FSS, and just over one million dollars to the property tax system.

HB 2010

This bill is the product of the latest health care funding effort. Through the extension of existing assessments and some expansions, Oregon's health care system is projected to receive an additional $335 million in 2019-21. The assessment on insurers, PEBB, and managed care organizations is increased from 1.5 percent to 2 percent. The bill also extends the assessment to Stop-Loss coverage. In addition, these assessments are extended through 2026. In 2021-23, the total amount raised is $1,811 million due to these changes plus the extension of the hospital assessment, which accounts for $1,232 million of that total. Under current law the hospital assessment sunsets in September 2021; the bill moves the sunset date to September 2025.

HB 2005

With this bill, the Legislature has created an Oregon Paid Family Medical Leave (PFML) program, modelled after the state's Unemployment Insurance program. The program will provide eligible employees with compensated time away from work for specified purposes. The funding source is a payroll tax with a rate of up to one percent of gross wages. The Oregon Employment Department is required to specify the rate, which is split between employers (60 percent) and employees (40 percent). Employers with fewer than 25 employees are exempt from the program. The tax becomes effective on January 1, 2022 so there is no revenue impact in 2019-21. For 2021-23, the PFML Insurance Fund is projected to receive $1,572 million from the payroll tax.

HB 2270

With this bill, the Legislature has referred to the voters the option of increasing tobacco taxes to help fund the states medical assistance program, including mental health services and programs addressing tobacco and nicotine use related health issues. If approved by voters, a total of $115 million is estimated to be raised in 2019-21 via three changes. First, the cigarette tax would increase from $1.33 to $3.33 for a pack of 20 cigarettes. The higher tax would take effect on January 1, 2021 and is projected to raise just under $109 million during the 2019-21 biennium. Second, the measure would create a tax on inhalant delivery systems and make them subject to the other tobacco products tax, which is 65 percent of the wholesale price. Lastly, the cap on the cigar tax would be increased from 50 cents to one dollar per cigar. The tax on inhalant delivery system is projected to raise $6 million in 2019-21 while the higher cigar tax cap would bring in roughly $0.3 million during the biennium. Full implementation of the changes would occur in 2021-23, when $350 million is projected to be raised.

PERSONAL AND CORPORATE INCOME TAX

HB 2101 (CH 132)

Establishes partnership and partner audit procedures for Department of Revenue in conformity with federal centralized partnership audit regime. Measure allows but does not require an audited partnership to pay at the partnership level.

Revenue Impact: Minimal positive impact.
Measure aligns Oregon statute and policy with recent federal tax law changes regarding partnership tax audits. Aligning Oregon statute with federal statute is expected to minimally increase tax collections from audited partnerships. Oregon's alignment with federal partnership audit provisions applies to partnership tax years beginning on or after January 1, 2018.

HB 2102 (CH 133)

Allows Department of Revenue (DOR) to disclose income tax information to a multijurisdictional information sharing organization formed with oversight by the Internal Revenue Service to combat identity theft and fraud. Allows DOR to also disclose such information to tax preparation software vendors that are members of such an organization.

Revenue Impact: Minimal positive impact.
Measure allows DOR to become a full member (currently DOR is a limited member) of the Identity Theft Tax Refund Fraud Information Sharing and Analysis Center. Becoming a full member will provide DOR with additional information and analytics intended to identify and prevent fraudulent tax returns. Preventing tax return fraud that would otherwise be successful has the effect of increasing revenue available to the general fund. Based on recent fraud statistics provided by DOR, expectation is a positive impact on revenue of less than $100,000 per year on average.

HB 2127 (CH 203)

Eliminates sunset of exemption from personal or corporate income taxes available to out-of-state emergency service providers operating in Oregon solely for the purposes of performing disaster or emergency related work on critical infrastructure.

Revenue Impact: Minimal
The exemption for nonresident income from disaster or emergency related work has been minimally used in past years. If Oregon suffers a catastrophic disaster, use of the exemption would increase.

HB 2141 (CH 483)

Establishes procedures and requires uniform transfer of a tax credit. Authorizes Department of Revenue to prescribe additional procedural requirements for transfer of credits. Requires credit certifying agencies to provide information about credit certification to Department of Revenue. Authorizes director of certifying agency to suspend or revoke tax credit certification in certain circumstances. Allows Department of Revenue to collect unpaid taxes in case of suspension or revocation of transferable credit. Applicable to tax credits that are transferred on or after January 1, 2020.

Revenue Impact: Minimal positive impact.
Measure makes no changes that will impact underlying tax liability. Rather, changes contained in measure will provide uniformity in administration of transferable tax credits and tax credits requiring agency certification. A minimal positive impact on revenue may occur due to enhanced notification and tracking of agency certified and transferable tax credits.

HB 2164 (CH 579)

This measure is an omnibus bill that affects personal and corporate income taxes, the corporate activity tax, the property tax, and some transportation taxes. Consequently, the relevant bill analysis is reported in each of these four sections. Click on the links in the table on page 2 to access the different tax programs.

Measure creates, extends and modifies several tax expenditures and is commonly referred to as the omnibus tax bill.

Revenue Impact (in $Millions):

	Biennium		
Policy	**2019-21**	**2021-23**	**2023-25**
Cultural Trust contributions	-$4.2	-$8.6	-$9.0
Manufactured dwelling park capital gain subtraction	Minimal		
Manufactured dwelling park closure credit	Minimal		
Certain retirement income	-$0.7	-$1.4	-$1.4
Volunteer rural EMS providers	-$0.1	-$0.2	-$0.2
Employer provided scholarships	Minimal		
Agriculture workforce housing construction	-$2.0	-$4.1	-$4.1
Crop donation	-$0.2	-$0.4	-$0.5
Earned income tax credit	-$56.7	-$118.4	-$125.5
Political contributions	-$5.7	-$10.8	-$11.5
Short line railroads	-$1.1	-$2.8	-$3.2
Replace 529 subtraction with 529 refundable credit	$0.3	$0.9	-$0.9
IDA contributions	Indeterminant		
Total General Fund	**-$70.5**	**-$146.0**	**-$156.4**

Sunset extensions & modification (income tax expenditures)
The following income tax expenditures are extended for six years:

- Cultural Trust contributions credit
- Manufactured dwelling park capital gain subtraction
- Manufactured dwelling park closure credit
- Certain retirement income credit
- Volunteer rural emergency medical services providers credit
- Employer provided scholarships credit
- Agriculture workforce housing construction credit
- Crop donation credit

The following income tax credits are modified and/or extended for six years:

- The Oregon earned income tax credit is increased from 8% to 9% of federal earned income tax credit and, for taxpayers with a dependent under the age of three, from 11% to 12%

- The eligibility threshold for the political contributions credit is reduced from $200,000 to $150,000 for joint filers and from $100,000 to $75,000 for all other filers
- The maximum credit percentage allowed for contributions to a fiduciary organization for distribution to individual development accounts (IDA) is increased from 70 percent to 90 percent (sunset date is unchanged).

New income tax credits
Short line railroads: Creates income tax credit for owners or lessees of short line railroads that incur costs directly related to the work necessary to maintain, reconstruct or replace short line railroad infrastructure in Oregon. For purposes of determining short line railroad rehabilitation project costs, disallows costs used to qualify for or used to claim any state or federal grants or federal tax credit.

Creates two tiers of tax credit benefit. Specifies tier 1 as person that cumulatively owns or leases short line railroad track in Oregon in excess of 200 miles. Limits credit allowed for tier 1 taxpayers to lesser of $1,000 multiplied by number of short line track miles owned or leased in Oregon, or fifty percent of short line rehabilitation project costs. Specifies tier 2 as any person that is not a tier 1 or is a public entity. Limits credit allowed for tier 2 taxpayers to lesser of $3,500 multiplied by number of short line track miles owned or leased in Oregon, or fifty percent of short line rehabilitation project costs. Specifies that initial credit qualification is limited to tax years 2020 through 2025. Limits potential tax credits to no more than $4 million per biennium.

Replace 529 subtraction with 529 credit: Creates refundable personal income tax credit for contributions to a 529 higher education savings network account or an ABLE account. Limits credit to $300 if reported by taxpayer on a joint return or $150 if reported on any other type of return. Specifies framework for credit amount as a function of taxpayer's adjusted gross income and amount contributed. Specifies credit is available in tax years 2020 through 2025. Limits existing law 529 subtraction to contributions made in tax years beginning before January 1, 2020 and allows unused subtracted amounts to be carried forward only to tax years beginning before January 1, 2025.

Policy Purposes
Cultural Trust
To protect and stabilize Oregon's cultural resources by creating a solid foundation for the future through the leveraging of private sector support from both individuals and businesses.
Manufactured dwelling park capital gain
To encourage sales of manufactured dwelling parks to a corporate entity formed by the tenants of the park, or by a nonprofit corporation or housing authority.
Manufactured park closure
To mitigate the costs to manufactured dwelling park households that are forced to move due to instances where market forces and development are causing closure of the manufactured dwelling park.
Certain retirement income
To provide tax relief to low-income individuals with pension income.
Volunteer providers of rural emergency medical services
To help defray the out of pocket costs of rural volunteer providers of emergency medical services.
Employer provided scholarships
To encourage and leverage private money to help pay for higher education.
Agriculture workforce housing construction

To provide support for the construction or rehabilitation of agriculture workforce housing thereby supporting the goal of ensuring adequate agricultural labor housing through a collaboration of the public, private and nonprofit sectors.

Crop donation

To increase the amount of food donated to gleaning cooperatives, food banks and other charitable organizations as well as providing compensation to farmers who donate already harvested crops.

Earned income tax credit

To increase the spendable income of low-income working families by offsetting state income taxes, thereby encouraging low wage earners to enter the labor force or earn more if already part of the labor force.

Political contributions

To encourage large numbers of people to contribute small amounts of money to candidates and political parties, thereby encouraging participation in the political process.

Short line railroad

To encourage and leverage private capital investment in short line railroad infrastructure with the intent to create cascading economic development opportunities across the state and to incentivize new short line rail customers by improving the conditions of short line railroads throughout Oregon.

529 Credit

<u>Higher education:</u> To provide families and individuals a tool with which to begin saving for higher education expenses thereby encouraging individuals to commit to continuing their education beyond high school. Policy intent of restructuring tax subtraction as a refundable credit is to make tax incentive more available to families and individuals of more modest means.

<u>ABLE:</u> To help people with disabilities to save money for necessary expenses to meet the challenges of life.

HB 2235 (CH 33)

Allows refund of personal income tax to be made by direct deposit into account designated by taxpayer.

Revenue Impact: No impact

HB 2377 (CH 643)

This measure is the program change bill produced each biennium by the Joint Committee on Ways and Means. The measure implements statutory changes necessary to support the 2019-21 Legislatively Adopted Budget.

Revenue Impact (in $Millions):

	General Fund 2019-21 ($M)
Transfer from:	
Insurance Fund	$10.0
Dept. of Administrative Services Operating Fund	$50.9
State Information Technology Operating Fund	$26.5
Dept. of Justice Protection and Education Revolving Account	$46.0
Health Insurance Exchange Fund	$3.8
Oregon Medical Board Account	$5.0
Public Employees' Revolving Fund	$15.0
Portland Harbor Cleanup Fund	$3.0
Legal Aid Account	$11.9
Central Government Service Charge	-$0.5
Total General Fund	**$171.6**

These fund transfers and distribution changes become General Fund revenue for purposes of calculating the 2019-21 Close-of-Session revenue forecast upon with the 2019-21 Legislatively Adopted Budget is based.

HB 2847 (CH 495)

Expands list of hospitals, whose medical staff may qualify for the rural medical provider personal income tax credit, to include a hospital classified as a rural referral center and also classified as a sole community hospital. Applies to tax years beginning on or after January 1, 2020.

Revenue Impact (in $Millions):

	Fiscal Year			Biennium		
	2019-20	2020-21		2019-21	2021-23	2023-25
General Fund	$0	-$0.2		-$0.2	-$0.4	-$0.4

Measure will allow qualifying medical providers at Sky Lakes Medical Center in Klamath Falls to potentially qualify for Oregon's rural medical provider income tax credit. The Oregon Office of Rural Health has identified about 40 rural medical providers that do not currently qualify for the tax credit that will become eligible for a credit worth $5,000. Impact on general fund revenue is estimated at -$200,000 per tax year (-$400,000 per full effective biennium).
The ***policy purpose*** of this measure is to include Sky Lakes Medical Center in Klamath Falls as a hospital whose medical staff may qualify for Oregon's rural medical provider personal income tax credit.

HB 2975 (CH 20)

This measure is a program change bill that repeals certain re-appropriations from the 2017 Legislative Session.

Revenue Impact (in $Millions):

Description	General Fund 2017-19
Insurance Fund	-$33.3
Operating Fund	-$18.5
Information Technology Operating Fund	-$10.5
Protection and Education Account	-$46.0
Total	-$108.3

Due to the re-appropriation repeal, these amounts reduce General Fund revenue for the 2017-19 biennium.

HB 5033 (CH 612)

Appropriates moneys from General Fund to Department of Revenue for biennial expenses, including additional auditors to work on tax compliance related to the Marijuana Tax.

Revenue Impact:
Approximately $300,000 in additional tax collections for 2019-20 and then roughly $500,000 annually thereafter is projected due to the increased audit function. Audit activity is projected to start producing collections in October of 2019 and gradually increase over the first six months, where increased collections are expected to level off. These estimates are based on information from the Department of Revenue. Roughly 60 percent of the total is estimated to come from increased income tax billings while 40 percent is projected to come from Marijuana retail tax billings.

SB 79 (CH 359)

Allows Department of Revenue to render assistance in the collection of delinquent debt to the Oregon State Bar for purpose of collecting assignments to a client security fund. Allows Department of Revenue to render assistance to any local government or any special government body in the collection of delinquent debt, only through setoff against any refunds or sums due to a debtor.

Revenue Impact: Indeterminate
Measure does not increase tax or fee liability, rather, measure provides another means of potential collection of outstanding debts. As measure does not require government agencies or bodies to utilize Department of Revenue collection services and Department of Revenue has discretional authority in accepting debt, change in potential collections of debt is indeterminate.

SB 162 (CH 316)

Allows a personal income taxpayer, at time of tax filing, to initiate process to establish an Oregon 529 Higher Education Savings Network account. Requires Department of Revenue to provide a means by which personal income taxpayers may elect to initiate the establishment of a 529 Higher Education Savings Network account. Modifies statute allowing DOR to share tax information for purposes of election to initiate the establishment of a 529 account. Applies to tax returns filed on or after January 1, 2021.

Revenue Impact: Minimal

SB 213 (CH 319)

Updates connection date to federal Internal Revenue Code and other provisions of federal tax law from December 31, 2017 to December 31, 2018.

Revenue Impact: Minimal

SB 459 (CH 370)

Decreases reserve bid amount, in auctions for income tax credits for certified Opportunity Grant and film production development contributions, from at least 95% of the total amount of the credit to 90%. Requires tax credit auctions conducted by Department of Revenue in cooperation with the Oregon Film and Video Office or with the Higher Education Coordinating Commission, to be conducted no later than April 15 following December 31 of any tax year for which the credit is allowed. Applies changes to tax years beginning on or after January 1, 2019 and before January 1, 2024.

Revenue Impact: Indeterminant

In recent years, demand for auctioned tax credits for qualified film production development contributions has generally exceeded supply of credits to be auctioned while average price paid for winning auction bids has often exceeded the face value of the credit. Purchases of auctioned credits have been concentrated among fewer than five hundred higher income taxpayers.

2017 federal tax law changes and subsequent Internal Revenue Service regulations changed the environment for state auctioned tax credits. Following the recent federal changes, there is potentially less federal tax benefit for purchasers of state auctioned tax credits. Measure provides two ways in which future auction demand may increase: adjusting the timing of the auction and reducing the minimum auction bid price required to purchase a credit.

SB 523 (CH 336)

Allows the Department of Revenue (DOR) to publicly post information about debtors on the department's website, including information on name, city and state, type of debt, lien identification numbers, and the amount of debt due. Specifies that all other debtor information remain subject to applicable confidentiality provisions. Applies only to debtors with outstanding debt owed to DOR of at least $50,000, and to whom DOR has already issued a warrant for collection of the debt. Excludes debtors who are in a payment plan, in open bankruptcy, appealing the debt, and/or in a debt resolution agreement with DOR. Requires DOR to remove public information regarding debtors within 14 days of the debt resolution.

Revenue Impact (in $Millions):

	Fiscal Year			Biennium		
	2019-20	2020-21		2019-21	2021-23	2023-25
General Fund	$1.0	$1.0		$2.0	$2.0	$2.0

The above estimate is based on information from a Department of Revenue (DOR) pilot program known as Treasury Offset Program (TOP) 100 pilot. During the pilot, the agency received $420,000 in voluntary payments on a total debt of $44 million. This bill allows DOR to publicly post debtor information to the DOR website, if the debtors owe the department at least $50,000. The total debt owed to DOR by debtors who meet the $50,000 threshold is roughly $344 million. The revenue estimate is based on the pilot program collections rate combined with information on the total amount of debt due to DOR and exceeding the $50,000 individual threshold. This estimate accounts for the deterrent effect of posting tax delinquency amounts publicly. It also considers the difficulty in collecting the total amount of debt, since some of this debt could be deemed uncollectible in the future. Over time, a deterrent effect may exist as the public posting of tax delinquency becomes familiar to taxpayers and some try to avoid being placed on the public list.

SB 851 (CH 556)

Requires that when calculating Oregon taxable personal income in tax years beginning on or after 2017, individuals add back amounts deducted for deemed repatriation as part of the one-time transition tax. Prevents the Department of Revenue (DOR) from imposing penalties and interest for tax years 2017 and 2018, if the underpayment or underreporting is due to the repatriation add back. Requires that when calculating Oregon taxable income, taxpayers add back to federal taxable income amounts deducted as GILTI. Clarifies that Oregon will treat GILTI in the same manner as a dividend for purposes of modification to taxable income. Provides corporations an 80% dividends received deduction (DRD) for GILTI. Prevents taxpayers from taking a DRD for amounts of foreign-source dividend income, as described in IRC 245A, included in FTI. Indicates that amounts subtracted under IRC 245A are excluded from apportionment calculations. Indicates that taxpayers should include dividends and/or GILTI in sales factor apportionment calculations as indicated by the apportionment formula for that specific taxpayer.

Revenue Impact: None.

In December 2017, Congress passed the Tax Cuts and Jobs Act (TCJA). During the 2018 legislative session, the legislative assembly worked to understand the implications of the TCJA on Oregon's tax system. These discussions focused primarily on the one-time corporate repatriation and the intent was to avoid a double-deduction at the state level. At the time it was unclear how personal income taxes would be affected by the one-time repatriation. During the summer of 2018, the IRS issued new guidance and forms related to TCJA, including moving repatriated income calculations to a different federal form. As a result, this income no longer flowed through to Oregon taxable income. To address this change, the Department of Revenue (DOR), in consultation with the Department of Justice (DOJ), issued guidance relying on ORS 316.737 and instructed all taxpayers to add these amounts back.

SB 851 makes three conceptual clarifications to statute. First, the bill clarifies that individuals who received a federal deduction for amounts due under the one-time repatriation (IRC 965(c)(1)), must add those amounts back for the purposes of calculating Oregon taxable income, applicable to tax years beginning on or after January 1, 2017. This change to statute is a clarification and is consistent with current practices of the DOR related to repatriation. The baseline for this revenue impact estimate assumes that the Department's position is correct and that these amounts should be added back. There is no revenue impact for this change because it reflects current enforcement standards used by DOR. While collections may increase because of this legislation, those income amounts would have been subject to audit by DOR. There is inherent uncertainty comparing the timing of such collections between this bill and those that may have been discovered through the DOR audit process.

Second, SB 851 indicates that Oregon will treat global intangible low-taxed income (GILTI) in the same manner as a dividend and allow a state-level dividends-received deduction (DRD) on the gross amount of GILTI. Taxpayers will add the amounts deducted as GILTI at the federal level to their federal taxable income for the purposes of calculating Oregon taxable income. Then taxpayers receive an 80% DRD to apply to this income. This change to statute is consistent with DOR’s expected treatment of GILTI in the absence of legislation and as a result, there is no revenue impact for this modification.

Finally, the bill adds to statute language that avoids the potential for a double deduction related to foreign-source dividends. At the federal level, taxpayers receive a 100% DRD for the foreign-source portion of their dividends. SB 851 adds to statute language to indicate that taxpayers cannot take an additional state-level subtraction related to this income. This change is again consistent with DOR’s treatment in the absence of legislation and as a result, there is no revenue impact for this modification.

PROPERTY TAX AND LOCAL GOVERNMENT FINANCE

HB 2130 (CH 578)

Creates and extends sunsets for certain property tax exemption and special assessment programs. Provides sunset for property tax exemption on land held by non-profit for low income housing to property tax year beginning 2029. Extends sunset on property tax exemption for cargo containers to 2026. Extends sunset of homestead property tax exemption for surviving spouse of fallen public safety officer to 2025. Extends 130% central assessment cap on specified entities to 2025.

Revenue Impact (in $Millions):

	Biennium		
	2019-21	2021-23	2023-25
130% cap on intangible assets	0	-1.20	-2.80
Land held for low income housing	0	-0.2	-0.2
Cargo Containers	0	-0.1	-0.1
Homestead Fallen Officers Spouses	0	-0.1	-0.1

<u>Intangible 130% central assessment cap</u>: This caps the intangible taxable value for centrally assessed companies under OR 308.515. The tax expenditure is generated from the reduction in taxable value from data and communication companies with large intangible assets. Schools experience approximately 47% of the tax revenue loss, while general government takes 53%. In addition, approximately 15% of the total impact is shouldered by the other taxpayers in the form of bond re-allocation. The table above reflects that the first year of impact is the 2022-2023 tax year.

Land held by non-profit for low income housing: The tax expenditure for this program is minimal. Although it is not permissive, it only applies to bare land, and therefore has not historically created a revenue loss greater than $200,000 per biennium.
Cargo containers: The tax expenditure for this program is minimal. Although it is not permissive, it has only created a revenue loss of less than $100,000 per biennium.
Homestead for spouses of fallen public safety officers: The impact is minimal. As it is permissive, it has historically had a revenue loss of less than $100,000 per biennium.

HB 2164 (CH 579)

This measure is an omnibus bill that affects personal and corporate income taxes, the corporate activity tax, the property tax, and some transportation taxes. Consequently, the relevant bill analysis is reported in each of these four sections. Click on the links in the table on page 2 to access the different tax programs.

Extends sunset of property tax exemption for low income housing and food processing equipment. Extends sunset special assessment program for historic property.

Revenue Impact (in $Millions):

	Biennium		
Policy	**2019-21**	**2021-23**	**2023-25**
Low income rental housing	-$0.1	-$0.2	-$0.2
Historic property special assessment	$0.0	-$0.6	-$1.9
Food processing equipment	-$1.1	-$7.8	-$13.9
Total Property Tax	**-$1.2**	**-$8.6**	**-$15.9**

Low income rental housing: Extends sunset of property tax exemption for newly constructed low-income rental housing from 2020 to 2030. The current value of the property that is exempted due to this law is approximately $65 million statewide. Those properties would be considered continuing (for a maximum of 20 years for each property) and therefore not affected by the sunset. Given the total amount of property on the roll, the cyclical nature of new applicants, and along with current local CPR's, the impact is estimated to be roughly $100,000 for the first biennium. This estimate reflects the ability of developers to complete projects prior to the sunset.
Historic Property: Extends sunset of property tax special assessment from 2020 to 2022. The value in the table represents the additional properties that are allowed to enter the program with the sunset extension. In particular, existing properties, already in the program before the current sunset date, see no change. When a property enters the program the value of the property is frozen prior to renovation and restoration. The revenue impact arises from the incremental tax revenue that is foregone by the frozen value.
Food processing equipment: Extends sunset on property tax exemption for food processing equipment from 2020 to 2025. Exempts from property taxation, new food processing equipment for the initial 5 years. Allows counties and cities to change exemption to partial exemption and reduce number of years for exemption.

HB 2174 (CH 580)

Specifies urban renewal plan submission and approval process. Requires concurrence of the three most affected taxing districts for urban renewal plans that includes a specified public building project. Prescribes effective date. Modernizes rate plan terminology.

Revenue Impact: There is no direct impact, as this bill deals with implementation of urban renewal programs, which are permissive.

This measure would strengthen approval process for urban renewal plans involving public buildings, which, when exiting from Urban Renewal status, do not bring additional tax revenue to the roll because of their tax-exempt nature. Upon passage of the bill, three of the four taxing districts estimated to forgo the most tax revenue would need to approve the inclusion of a public building in an urban renewal plan.

HB 2587 (CH 591)

For purposes of homestead property tax deferral program for seniors and persons with disabilities, changes prohibition on homestead with outstanding deferred property taxes from being pledged as security for reverse mortgage to prohibition on homestead that is pledged as security for reverse mortgage from being granted deferral under program.

Revenue Impact: There is no direct impact as this is not a tax expenditure

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In the deferral program, property taxes of participants are paid by the Department of Revenue to the local governments on behalf of the property owner, and then collected upon liquidation of the property. It is unknown how many homeowners with reverse mortgages might apply were the legislation to pass. However, on average, the Department of Revenue pays approximately $2,600 per account currently, and there are currently 750 accounts in the program with pre-2011 reverse mortgages. The Department of Revenue estimates that there are approximately 4,000 individuals with properties with reverse mortgages between 2011-2017 that may qualify for the senior deferral program.

HB 2684 (CH 164)

Repeals property tax exemption for property of company that builds, maintains and operates project constituting certain communication services infrastructure.

Revenue Impact: (in $Millions):

	Biennium		
	2019-21	**2021-23**	**2023-25**
Local Governments	$2.8	$3.3	$3.5
Local Education Districts	$1.9	$2.3	$2.5
Total Revenue Change	**$4.7**	**$5.6**	**$6.0**

Current statute provides a property tax exemption to a broadband service provider in perpetuity. This revenue estimate is constructed considering the only company that is currently qualified to receive the exemption. The impact would increase based on the size and number of companies that may apply for and receive this exemption in the future. Upon the passage of this bill as amended, the Department of Revenue would specially assess the company’s intangible property at 75% of its real market value for the 2019-20 tax year. In addition, the bill would eliminate the existing property tax exemption for all future tax years. Therefore, the revenue increase in the table above represents the phase out value of the tax exemption.

HB 2699 (CH 492)

Modifies brownfield property tax incentive law to specify that a brownfield property granted property tax benefits under the law may also be granted any other special assessment, exemption, or partial exemption for which the property is eligible. Prohibits total amount of all special assessments, exemptions, and partial exemptions granted to property from reducing property tax liability to below zero. Requires city, county, or port to specify in ordinance or resolution how multiple property tax benefits will be applied and to notify county assessor of intended application.

Revenue Impact:

The revenue impact will be negative. However, the magnitude is unknown. The bill provides for a property tax exemption which is currently not allowed. In particular, the bill allows for the property owner to receive a tax exemption under this program in addition to property tax exemptions from other programs and special assessments.

The revenue impact of HB 4084 (2016) which enacted this program described the loss in tax revenue from the exemption and the potential increase of value on the roll after 10 or 15 years, when the property returned to the roll. With this additional tax relief from the current bill, a property, for example could receive up to 15 years of property tax exemption under the brownfields program, and at the same time receive a property tax exemption for land held for low income housing. Then, when the property was remediated, the property may start receiving a tax exemption for low income housing. In this case, the property may remain off the roll, in excess of 25 years. When the property comes back on the roll, it would come on at its improved and currently assessed value.

Current statute requires a property owner to choose between the brownfield tax exemption program and other tax exemption programs.

HB 2949 (CH 533)

Authorizes governing body of county with population of more than 570,000 to set maximum dollar amount of $25,000 ($34,000 indexed to inflation) or more for total assessed value of all of taxpayer's manufactured structures taxable as personal property below which such manufactured structures are not subject to ad valorem property taxation for assessment year.

Revenue Impact:

There is no direct revenue impact as this is a permissive policy which allows exemption of additional value by the governing body of the county. However, if adopted for the 2018 tax year, it would affect approximately 1,700 manufactured structures and result in a revenue loss up to $2 million dollars annually.

There are approximately 1,700 manufactured structures, in such counties, that are taxable under current statute. The current statute has that the full value of the structure is taxable once the structure passes the $34,000 threshold. This would allow the structure to become incrementally taxable, or for the county to set an increased threshold.

The policy purpose of this measure is to maintain affordable housing to individuals who live in modest structures and may have low incomes.

SB 262 (CH 322)

Extends sunset for property tax exemption for multiple-unit housing.

Revenue Impact (in $Millions):

	Biennium		
	2019-21	**2021-23**	**2023-25**
Local Governments	$0	-$0.69	-$2.17
Local Education Districts	$0	-$0.46	-$1.45
Total Revenue Change	$0	-$1.15	-$3.62

This policy allows cities and counties to grant a full or partial tax exemption on properties newly constructed, or converted, for the purpose of multi-unit rental housing. The policy includes two programs. The first allows property exemptions for multi-unit rental housing in core areas that meet criteria in statute relating to high density and public transportation (unrelated to low income). The other does not need to lie in a core area but must be subject to a low-income housing assistance contract with the federal government. Both programs provide the tax exemption for the first 10 years after application approval. This program is utilized by four counties currently and has an annual revenue impact of $10 million. However, the policy is not set to sunset in current statute until 2022, and therefore the impact in the table above represents additional properties that would be able to come online at the time of sunset, not the cost of the properties that are currently in the programs and would continue through their remaining years of the 10-year window.

SB 393 (CH 548)

Authorizes translator districts to annex cities where cable television corporations operate or have ceased operations and city electors approve annexation.

Revenue Impact:

There is no direct revenue impact because annexation requires voter approval. If the bill passes and the cities elect to self-annex into the translator district, then the district could raise an additional $180,000 annually.

The bill gives cities discretionary authority to approve self-annexation into a translator district. Given that electors retain approval authority, there is no certain immediate impact. However, Blue Mountain Translator District states that there are 10 cities that may be affected by this bill. If those cities approve, analysis indicates that revenue might increase by approximately $180,000.

Additionally, the bill does not preclude annexation of cities around the state, which would generate additional revenue impact. This analysis does not include the revenue impact of potential expansion.

There is a potential intersect with SB 901 which would authorize the translator district to impose ad valorem taxes through establishment of a permanent rate. If both SB 393 A3 and SB 901 were to pass then the translator district could annex new cities and impose a property tax on assessed value, or the translator district could choose to solely utilize SB 901 or SB 393 A3
The measure places a moratorium on a self-annexation vote until after December 31, 2020.

SB 431 (CH 621)

Creates urban flood safety and water quality district in portion of Multnomah County within urban growth boundary adopted by Metro, for purposes of acquiring, purchasing, constructing, improving, operating and maintaining infrastructure in order to provide for flood safety and contribute to water quality, floodplain restoration and habitat and landscape resilience.

Revenue Impact:

There is no direct revenue impact, as this measure allows the formation of a new taxing district and the dissolution of current taxing districts by vote. There is potential impact, contingent on successful implementation (described below).

The bill proposes a multi stage process, all subject to voter approval, to replace four current districts, each with taxing authority, by one district with a unified governance structure and taxing authority. Should the voters approve, Levee Ready proposes to create an interim board and hold an election to form what would become the permanent taxing district and board. Once that is secure, the existing districts will be dissolved and the new district with its permanent board will proceed to fund and operate the levee system and drainage district.

The new district plans to issue a general obligation bond to fund infrastructure costs and a utility fee to cover operations and maintenance. Levee Ready Columbia estimates that the general obligation bond would be financed over 20 years. Similarly, Levee Ready Columbia proposes that operations and maintenance, estimated in the initial decade to be approximately $7.5 million annually, would be collected as utility fees.

The four existing levee districts currently impose approximately $6.3 million in taxes annually. Should the ballot measure pass and the current levee districts dissolve, two things would happen to this revenue. The portion that overlaps with other taxing districts in compression will still be released to, and collected by those other overlapping taxing districts, approximately $740 thousand annually. The remainder, approximately $5.6 million annually, would be uncollected, or lost, directly due to the dissolution of the current levee districts and their loss of taxing authority. Subsequently, upon formation of the new taxing district, the new district would impose and collect property taxes under a bond. While the final amount would depend on actual costs and bonding, estimates from Levee Ready Columbia, assuming a midpoint of costs and standard economic assumptions, imply the new levee district would collect approximately $12 million per year, for a period of 20 years to pay for structural upgrades and improvements relating to levee integrity, restructuring and federal certification.

SB 837 (CH 380)

Authorizes, during five assessment years following correction of real market value by Department of Revenue or tribunal, change to real market value indicated by subsequent sale of property.

Revenue Impact:

There is no direct Revenue Impact, because it depends on decisions of property tax owners and the appraisal process of the county. However, there is a potential for approximately a $540,000 increase in statewide property tax revenue for the 2020-2021 property tax year.

The 2017-2018 Property Tax Statistics states that the statewide reduction in value due to (Board of Property Tax Appeals) BOPTA is $337 million. Given the statewide average tax rate, the property sales turnover rate, and the rate at which BOPTA grants appeals LRO projects that if roll correction were allowed, statewide property tax revenue may increase by approximately $540,000 in the first effective tax year.

SB 1045 (CH 566)

Provides through permissive city and county authority, a property tax exemption to homeowners who choose to rent a portion of their home to qualified home share seeker. Implemented through development of homeshare program. Requires 51% of affected taxing districts, and caps program at 500 properties total in any given year. Describes process following breach of home share agreement. Takes effect 91st day after adjournment of sine die. Is repealed January 2, 2029.

Revenue Impact: As this is a permissive policy, there is no direct revenue impact. However, it will have implications on jurisdictions where it is adopted.

This program would provide a maximum of $300,000 reduction from Assessed value to homeowners who participate in the homeshare program which will be developed to house low income homeseekers. The program has a participation cap, and participation will be allocated based on applications and relative county size. If the program is fully successful in its implementation, and it was implemented all in Multnomah County, it would reduce local tax revenue approximately $2.6 million, and shift approximately $800,000 in property taxes to other taxpayers annually (in the first year). If the program was dispersed throughout the state, the reduction to local property tax revenue would be approximately $2.1 million and a shift of approximately $500,000 annually. These values would escalate at approximately 3%, not considering compression.

CORPORATE ACTIVITY TAX

HB 2164 (CH 579)

This measure is an omnibus bill that affects personal and corporate income taxes, the corporate activity tax, the property tax, and some transportation taxes. Consequently, the relevant bill analysis is reported in each of these four sections. Click on the links in the table on page 2 to access the different tax programs.

This bill contains a series of modifications and clarifications to the Corporate Activity Tax created in HB 3427. In some instances, clarifying language changes have been made based on stakeholder feedback. For example, the definition and sourcing of commercial activity for financial institutions and insurers has been restructured and refined to better align with the intent of HB 3427. The list of items excluded from the tax base (i.e. not commercial activity) has been refined. The changes reflect items that weren't part of the original tax base estimates, so they are not expected to change the revenue impact estimate for HB 3427. Another example of clarifying language is the modification to the definition of 'cost inputs', which better aligns the language with the calculation used in federal law to determine cost of goods sold. The language improvement does not have a revenue impact because the original estimates were based on the underlying federal calculations.

The change in the definition of 'excluded person' for the threshold from $1 million to $750,000 does not change the tax calculation; it simply aligns the threshold with that of the registration process. Under these modifications, taxpayers will have to register with the Department of Revenue if they have at least $750,000 of commercial activity. The tax is unchanged and continues to be calculated only on taxable commercial activity above $1 million. Items that could potentially have a comparatively small impact on revenue are the inclusion of unrelated business income for exempt entities and the change in the language regarding sales to agricultural co-operatives. However, the net impact is not expected to be significant and may have offsetting effects.

Revenue Impact (in $Millions):

	Biennium		
	2019-21	**2021-23**	**2023-25**
Fund for Student Success	-$1.9	-$4.0	-$4.5

The policy with an impact on revenue from the Corporate Activity Tax is the exclusion of certain amounts from the commercial activity of general contractors building single-family residential homes. The exclusion is limited to 15 percent of qualified labor payments made by general contractors to subcontractors. The estimate is based on 2012 Census data for qualifying labor payments. The estimate is grown to tax year 2020 based on a combination of tax return data and projections consistent with the base estimates for the Corporate Activity Tax.

HB 3427 (CH 122)

Creates a Corporate Activity Tax based on commercial activity conducted by businesses. The tax is $250 plus 0.57% on taxable commercial activity above $1 million. Includes a subtraction equal to 35 percent of the greater of input costs or labor costs. Reduces the Personal Income Tax rates for the three lower brackets from 5%, 7%, and 9% to 4.75%, 6.75%, and 8.75%. Defines terms. Creates the Fund for Student Success and allocates funds. The tax changes first take effect with tax year 2020. Takes effect on the 91st day following sine die.

Revenue Impact (in $Millions):

	Biennium		
	2019-21	**2021-23**	**2023-25**
Fund for Student Success	$1,598	$2,810	$3,068
General Fund	-$423	-$699	-$762
Net Impact	**$1,175**	**$2,111**	**$2,306**

The estimates for the Corporate Activity Tax (going into the Fund for Student Success) are based on historical Oregon tax return data augmented with published federal tax information. Growth rates used are based on the March 2019 Economic and Revenue forecast. The impact on the General Fund is from two sources: the reduction of the personal income tax rates and the interactive effects between the new tax and existing income taxes. Roughly 70 percent of the impact is due to the tax rate reductions.

SCHOOL FINANCE

HB 2867 (CH 657)

Modifies a requirement for a high school to qualify as a small high school for the purpose of State School Fund distributions. First applies to the 2019-20 distributions. Takes effect on July 1, 2019.

Revenue Impact: No change in the total formula revenue available for distribution to school districts and education service districts.

There is currently one school district that has a weighted average daily membership (weighted ADM or ADMw) getting close to 8,500 as well as having high schools qualifying as small high schools. Under current law, if this school district were to go over the ADMw cap of 8,500, it would lose small high school-based formula revenue. With the increase in the ADMw cap, this bill creates a pathway for this school district to continue to receive its share of formula revenue, distributed according to the small high school correction formula. This bill does not change the total formula revenue.

HB 5016 (CH 218)

Appropriates for the 2019-21 State School Fund, $7,713.6 million from the General Fund, $535.7 million from the Lottery revenues, $103.3 million from marijuana taxes, $643.0 million from the Fund for Student Success, and $4.4 million from miscellaneous receipts.

Revenue Impact (in $Millions):

	Biennium 2019-21
State School Fund	**$9,000.0**
From General Fund	$7,713.6
From Lottery Resources	$535.7
From Marijuana Taxes	$103.3
From Fund for Student Success	$643.0
From Miscellaneous Receipts	$4.4

This bill appropriates $9,000.0 million for the 2019-21 State School Fund (SSF), with $7,713.6 million allocated from the General Fund, $535.7 million from the Lottery revenues, $103.3 million from marijuana taxes, $643.0 million from the Fund for Student Success, and $4.4 million from other sources. This SSF is combined with local revenues from school districts (SDs) and education service districts (ESDs) to form the total formula revenue available for distribution.

The attachments to this impact statement display projected formula revenue distributions to individual school districts and education service districts for school years in the 2019-21 biennium.
https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureAnalysisDocument/49894

SB 802 (CH 347)

Allows a military child to be considered a resident of a specified school district based on an official military order for transfer of a parent of the child, for purposes of enrollment and class placement.

Revenue Impact: There is no change in the total formula revenue available for distribution to school districts and education service districts.

While there is no change in the total formula revenue available for school districts and education service districts, this bill could impact the distribution of revenue among school districts, depending on where a military child is enrolled.

TIMBER TAXATION

HB 2073 (CH 647)

Extends privilege taxes on merchantable forest products harvested on forestlands and adjusts rates.

Revenue Impact (in $Millions):

	FY 2020	FY 2021	2019-2021	2021-23	2023-25
Forest Research and Experiment Account	$ 0.76	$ 3.28	$ 4.04	$ 2.53	$ -
Oregon Forest Practices Act Administration	$ 1.18	$ 5.05	$ 6.23	$ 3.90	$ -
Oregon State University Forest Education	$ 0.08	$ 0.36	$ 0.45	$ 0.28	$ -
Total Revenue Impact	**$ 2.03**	**$ 8.69**	**$ 10.71**	**$ 6.71**	**$ -**

The measure sets the Forest Products Harvest Tax Rates for calendar years 2020 and 2021. The projected 2020 and 2021 harvest is 3,630,000 and 3,670,000 thousand board feet (mbf) respectively. The rate for the Forest Research and Experiment Account remains at 90 cents per mbf. The measure reduces the rate for the Oregon Forest Practices Act Administration from the20118-19 level of $1.5661 per mbf to $1.3872 per mbf in 2020-21. Because the rate is set to otherwise sunset at the end of 2019, this lower rate still generates a positive revenue impact. The measure extends, unchanged, the 10 cent per mbf privilege tax allocated to Oregon State University for forest educational programming.

TRANSPORTATION

HB 2080 (CH 389)

The measure raises the biennial boat registration fee from $4.50 a foot length to $5.95 a foot length. The title fee is raised from $50 to $75, and the fee for a boater education card is increased from a maximum of $10 to a maximum of $20. The measure repeals the requirement for an Oregon registered motorboat to carry an aquatic invasive species permit. Instead, $5 is added to the registration fee and that $5 is transferred to the Aquatic Invasive Species Prevention Fund

The net effect of the change of the Aquatic Invasive Species is to generate no new revenue. Increases application fee for original boat title or title transfer from $50 to $75.

The Oregon State Marine Board (OSMB) is the state's regulatory agency for recreational boating. OSMB provides education, enforcement, access, and environmental stewardship to help make boating a safe and enjoyable experience. In 2015, the Legislature passed HB 2459, which increased the biennial fee for boat registration from $3 to $4.50 and increased the original boat title or title transfer application fee from $30 to $50. According to OSMB, registration revenue has decreased by 10% since 2015.

Revenue Impact:

	2019-2021	2021-2023	2023-2025
Registration fee increase	$2,918,208	$3,921,086	$3,954,190
Title fee increase	$817,075	$1,099,450	$1,110,475
Education Card fee increase	$161,927	$215,544	$212,304
TOTAL	**$3,897,210**	**$5,236,080**	**$5,276,969**

HB 2164 (CH 579)

This measure is an omnibus bill that affects personal and corporate income taxes, the corporate activity tax, the property tax, and some transportation taxes. Consequently, the relevant bill analysis is reported in each of these four sections. Click on the links in the table on page 2 to access the different tax programs.

Measure extends two tax expenditures related to fuel taxes and the weight-mile tax.

Revenue Impact (in $Millions):

	Biennium		
Policy	**2019-21**	**2021-23**	**2023-25**
Vehicle used for testing emissions (gas/use fuel)	Minimal		
Vehicle used for testing emissions (weight-mile)	-$0.1	-$0.3	-$0.3

HB 2209 (CH 581)

Authorizes a fee on railroads gross revenue of up to 0.05 percent, to sunset January 2, 2027. Authorizes per-car fee of up to $20 on oil tank rail cars entering state or originating in state, to sunset January 2, 2027. Establishes the High Hazard Train Route Oil Spill Preparedness Fund and continuously appropriates money in the Fund to Department for purposes related to contingency planning for high hazard train routes.

U.S. Department of Transportation issued an emergency order that took effect on June 6, 2016, requiring carriers operating single trains transporting one million gallons or more of Bakken crude oil to provide information to each relevant state emergency response commission (SERC) on estimated volumes and frequencies of applicable train traffic. The Legislative Assembly enacted House Bill 3225 (2015), requiring the State Fire Marshal, Oregon's designated SERC, to adopt a plan for coordinated response to an oil or hazardous material spill or release that could occur during rail transport.

In June 2016, a 96-car train carrying crude oil derailed in Mosier, Oregon, in the Columbia River Gorge. Sixteen of the cars derailed, resulting in a fire that burned for 14 hours and required the evacuation of about 100 nearby residents. Approximately 47,000 gallons of crude oil were released during the derailment; however, even though it occurred 600 feet from the Columbia River, only trace amounts of crude oil were discharged into the river. Most of the oil burned off, was absorbed into the soil, or was released into the town's wastewater treatment facility.

Revenue Impact:

		2019-21	2021-23	2023-25
	@			
GRF all Classes	0.05%	$ 550,737	$ 766,637	$ 803,092
Car Load Fee	$20	$ 488,000	$ 500,200	$ 512,705
Collection Costs	DOR	$ (236,000)	$ (50,000)	$ (50,000)
Total		$ 802,737	$ 1,216,837	$ 1,265,797
Transfers to Funds				
High Hazard Train Route Oil Spill Preparedness Fund	DEQ	$ 550,737	$ 766,637	$ 803,092
Oil and Hazardous Material Transportation by Rail Fund	Fire Marshal	$ 252,000	$ 450,200	$ 462,705

The measure establishes an annual fee of 0.05% of gross operating revenues of railroads that are required to submit contingency plan for high hazard train route. Directs revenues to High Hazard Train Route Oil Spill Preparedness Fund. It also establishes a fee of up to $20 on each railroad oil tank car entering state from outside and on each car loaded with oil within the state. Directs Department of Environmental Quality (DEQ), and State Fire Marshal to establish exact amount of fee, by rule, as necessary to fund programs out, and Oil and Hazardous Material Transportation by Rail Fund.

Both fees start on 1/1/2020, and sunset on 1/2/2027. Any remaining moneys in Funds that are unexpended shall be refunded to payors without interest.

The minimum Gross Revenue as of Calendar Year 2017 to be a Class I is $463,860,000, Class II is $37,100 000, and a: Class III is less than $37,100 000.

The forecast of revenue is based on GRF actuals growing by 2.5% for the first 3 years then 2.35%. Car loads are expected to start at 16,000 car loads on 2020, growing by 2.5% a year.

HB 2592 (CH 491)

Amends various statutes related to House Bill 2017 (2017). Modifies definition of "bicycle" and "taxable bicycle" for purposes of bicycle excise tax. Specifies requirement and exemption for repayment of electric vehicle rebate. Increases maximum statutory weight and width for Class IV all-terrain vehicles. Authorizes Metro to impose vehicle registration fee, if approved by voters by December 31, 2022, separate from other local government registration fees. Clarifies that low-speed electric vehicles and zero-emission motorcycles are eligible for electric vehicle rebate program. Specifies repayment responsibility for recipients of electric vehicle rebates who end ownership or lease before required time has elapsed and allows administrator to waive repayment. Makes plug-in hybrid vehicles eligible for Charge Ahead rebate program. Provides method by which persons who purchased electric vehicle between January 1, 2018, and August 2, 2018, may apply retroactively for zero-emission vehicle and/or Charge Ahead rebates. Replaces requirement for motor carrier weight receipts with weight identifiers. Exempts bucket trucks from definition of "fixed load vehicle."

House Bill 2592-A is the vehicle for the Joint Committee on Transportation's omnibus package of fixes and policy options related to House Bill 2017 (2017). The measure makes technical and policy changes to statutes related to the bicycle excise tax; vehicle privilege tax; motor vehicle fuel taxes; vehicle registration fees; accountability provisions related to the Oregon Transportation Commission and Continuous Improvement Advisory Committee; statutory references to enumerated multimodal projects; confidentiality in communications between Oregon Department of Transportation and Oregon Department of Revenue; use of moneys to repay bond debt service for major transportation projects; the Connect Oregon multimodal program; bicycle and pedestrian grants by the Oregon Parks and Recreation Department; and the electric vehicle rebate program. In addition to amending provisions of House Bill 2017, House Bill 2592-A also includes provisions related to the following: maximum weight and width of Class IV all-terrain vehicles; authority of Metro to impose a vehicle registration fee separate from those imposed by state or other local governments; maximum weight of vehicles utilizing idle reduction systems; statutory alignment with federal law with regard to the International Fuel Tax Agreement; and motor carrier weight receipts.

Revenue Impact (in $Millions):

	2019-21	2021-23	2023-25
Tax expenditures extension	($0.09)	($0.40)	($0.43)
Weight receipt repeal	($7.33)	($7.44)	($7.42)
Total impact for both sections	**($7.42)**	**($7.84)**	**($7.85)**
Impacts on Distributions			
ODOT	($2.82)	($3.01)	($3.02)
Counties	($2.78)	($2.92)	($2.92)
Cities	($1.82)	($1.91)	($1.91)

There are two sections in the -12's that have revenue impacts. The first is Section 19 that removes the automatic six-year sunset on transportation tax expenditures. The tax expenditures are:

1. Exemption from weight-mile for heavy trucks owned by dealers and used for test drives.
2. Propane and natural gas-powered vehicles may pay a flat annual fee instead of a per gallon fuels tax.
3. Heavy vehicles used for emissions research and development and were also provided an exemption by the EPA are exempted from either the fuels tax or weight-mile tax.

These tax expenditures are currently set to expire at the end of 2020. Extending them indefinitely will impact 6 months of 2019-21 and 24 months of 2021-23, for a loss in 2019-21 of $90,000 and $400,000 in 2021-23.

- $5 of the fee is apportioned 60.05% to ODOT, 24.38% to counties and 15.57% to cities.
- $3 of the fee is apportioned to counties at 60% and cities at 40%.

- $0.50 of the fee is temporary through 2019 and is apportioned 50% ODOT, 30% counties and 20% cities.

It is not clear if there will be any corresponding administrative savings to counter the revenue reductions, but that will be reflected in the Fiscal impact statement.

Section 19 of the measure extends indefinitely exemption from weight mile to dealer's test drives, propane and Natural Gas flat annual fee, and heavy vehicles used for emissions testing.

HB 2881 (CH 428)

Replaces vehicle weight rating with designation as a passenger vehicle as qualification for per-mile road usage charge program. Removes cap on number of vehicles that may participate in program. Increases minimum miles-per-gallon (MPG) rating for participation in program from 17 to 20 and grandfathers participating vehicles with MPG rating below 20. Exempts vehicles with MPG rating of 40 or more that participate in program from registration surcharge fee imposed by House Bill 2017 (2017) and specifies that exempted vehicles that leave program must pay registration surcharge fee. Replaces per-mile fee with formula equal to five percent of state's per-gallon gasoline license tax. Specifies that persons paying more in fuel taxes than is owed in per-mile tax during a reporting period will not be issued refund. Directs Department of Transportation to consult with vehicle dealers to determine ways to encourage participation in per-mile road usage charge program at point of sale of vehicle. Grants Department rulemaking authority for program.

The Legislative Assembly created the Road User Fee Task Force (RUFTF) in 2001 to develop a revenue collection system to fund Oregon's roads and highways that could replace the existing gasoline tax. Because motor fuel taxes had not kept pace with inflation, and because the mileage ratings of the vehicle fleet had steadily improved for two decades, revenues for maintaining and improving the state's road system had not kept pace with need. The RUFTF studied 28 different options, eventually determining that a new system should be designed that would assess costs to drivers based on the number of miles driven on public roads and highways in Oregon.

Two pilot programs were conducted in 2006-2007 and 2012-2013, during which technology and administration was tested and refined for the program. In 2013, the Legislative Assembly enacted Senate Bill 810, creating a permanent voluntary program, known as OReGO, in which up to 5,000 vehicles could pay 1.5 cents per mile in lieu of the gasoline tax. Drivers use onboard, connected technology to track miles traveled on Oregon public roads and are either billed for costs accrued that exceed the amount of gas tax paid, or are reimbursed for gas taxes paid that exceed the road usage charge. There are currently about 650 vehicles that participate in the OReGO program. House Bill 2881 represents a suite of policy changes recommended by the Road User Fee Task Force for adjustments to the OReGO program.

Revenue Impact:

Changes as a result of Expanding of OReGO to 40+ MPG Vehicles with Registration Fee Opt-Out:

BN	Increased RUC Gross Charges	RUC Admin/Coll Costs Increase	Loss of Fuels Tax Revenue	Loss of Vehicle Registration Revenue	Net Revenue to Highway Fund
19-21	$471,096	($177,225)	($190,956)	($108,592)	($5,677)
21-23	$2,030,175	($762,091)	($840,535)	($425,597)	$1,952
23-25	$4,318,194	($1,626,826)	($1,787,459)	($850,510)	$53,399

The measure would increase Highway Fund revenue by:

- Expanding the ability and providing an incentive for 40+ MPG vehicles to opt-in to paying the road usage charge (by opting-out of paying the enhanced vehicle registration fee);
- Eliminating fuels tax refunds for estimated fuels tax payments in excess of road usage charges; and
- Decreasing the administrative costs associated with providing fuels tax refunds.

The measure would decrease Highway Fund revenue by:

- Reducing registration fee revenue from vehicles subject to the road usage charge with rating of at least 40 MPG.
- Increasing the total amount of fuels tax revenue loss (from additional participating vehicles.
- Increasing the total amount of collection costs (at a decreased proportion of RUC gross charges), which result from annual increases in the number of vehicles opting-in to paying the road usage charge; and
- Reducing the road usage charge on January 1, 2024 from 2.1 cents per mile to 2.0 cents per mile.

SB 47(CH 507)

Establishes Waterway Access Fund (Fund). Appropriates moneys in Fund to the Oregon State Marine Board Requires person 14 years of age or older to carry waterway access permit while operating a non-motorized boat. Establishes permit fees and deposit of a portion of each fee into the Fund and remainder into the Aquatic Invasive Species Prevention Fund Account. Makes violation of requirement to obtain a waterway access permit a Class D violation. Requires Marine Board to collaborate with recreation user groups and law enforcement agencies to educate non-motorized boaters about the requirement to obtain a permit. Makes permit requirement operative on August 1, 2020.

The Marine Board is charged with regulating boating activities while promoting the multiple use and enjoyment of waters of the state. SB 47 would establish the Waterway Access Fund to improve waterway access and promote boating safety education for the non-motorized boating community. It would also require a person operating a non-motorized boat that is greater than

10 feet in length to obtain a waterway access permit, set permit fees, and eliminate the requirement to purchase an Aquatic Invasive Species permit for the same non-motorized boat.

Revenue Impact:

Waterway Access Permit Type	Additional Fee	Additional 2019-21 ASIP	Additional 2019-21 WA	Additional 2021-23 AISP	Additional 2021-23 WA	Additional 2023-25 AISP	Additional 2023-25 WA
2-year	$20		859,020		1,187,560		1,330,067
1-year	$12		71,616		95,700		107,184
1-week	$4	8,516	34,064	11,624	46,496	13,019	52,076
1-year Livery 6-10 boats	$60		3,540		4,980		5,578
1-year Livery 11-20 boats	$110		7,040		9,790		10,965
1-year Livery 21+ boats	$200		16,200		22,200		24,864
		$8,516	**$991,480**	**$11,624**	**$1,366,726**	**$13,019**	**$1,530,733**
Total		**2019-21**	$999,996	**2021-23**	$1,378,350	**2023-25**	$1,543,752

Establishes Waterway Access Fund (WA Fund). Establishes permit fees and deposit of a portion of each fee into the WA Fund and remainder into the Aquatic Invasive Species Prevention Fund Account ((AISP). Eliminates requirement that person operating a nonmotorized boat, at least 10 feet or more, must purchase Aquatic Invasive Species (AIS) permit and stipulates a person operating a sailboat, at least 12 feet, must purchase AIS permit. Requires Marine Board to collaborate with recreation user groups and law enforcement agencies to educate nonmotorized boaters about the requirement to obtain a permit. Makes permit requirement operative on August 1, 2020. Assigns new fee structure.

Waterway Access Permit Types	Permit fee	to AISP account	to WA account
2-year	$30 / boat	$10	$20
1-year	$17 / boat	$5	$12
1-week *	$5 / boat	$1	$4
1-year Livery 6-10 boats	$90 flat fee	$30	$60
1-year Livery 11-20 boats	$165 flat fee	$55	$110
1-year Livery 21+ boats	$300 flat	$100	$200

TOBACCO TAX

HB 2270 (CH 525)

Increases the tax rate on cigarette distributions. Dedicates taxes from the additional cigarette tax rate to state's medical assistance program including mental health services, and various programs addressing tobacco and nicotine use related health issues. Amends expense payment provisions in cigarette tax administration and enforcement. Prescribes a floor tax and dedicates such tax to the Oregon Health Authority Fund. Includes little cigars in the definition of cigarettes. Adds to statutes the definition of inhalant delivery system for the purpose of taxing tobacco products. Imposes tax on such system. Dedicates taxes from inhalant delivery system to state's medical assistance program including mental health services, and various programs addressing tobacco and nicotine use related health issues. Caps a tax on cigars at $1 per cigar. Makes the sale of cigarettes in packages with fewer than 20 cigarettes illegal. Applies to cigarette and tobacco products taxes beginning on or after January 1, 2021. Specifies reporting and information sharing mechanism. Refers this act to the next general election for approval or rejection.

Revenue Impact (in $Millions):

	Biennium		
	2019-21	2021-23	2023-25
Total Tobacco Taxes	**$115.0**	**$350.4**	**$351.1**
Cigarette Tax ($2 per pack, little cigars, floor tax)	$108.7	$324.0	$323.1
Inhalant Delivery System	$6.0	$25.1	$26.6
Increase in cigar tax cap (from 50 cents to $1)	$0.3	$1.3	$1.4

The revenue impact analysis assumes the June 2019 Oregon Economic and Revenue Forecast as the base. The figures here represent changes relative to the forecast if the act is approved by voters.

Cigarette Tax

The measure increases the cigarette tax rate by 100 mills for each cigarette, which equates to $2 per pack of 20 cigarettes. Under current law, the cigarette tax is $1.33 per pack of 20 cigarettes. Cigarette taxes serve various policy purposes. The new tax rate is applicable on or after January 1, 2021 if voters approve the measure. The revenue impact for 2019-21 reflects only the last six months of the biennium, which includes a floor tax of $26.1 million. Going forward, the $2 per pack tax increase is expected to bring in additional revenue of about $160 million a year. Little cigars will be taxed as cigarettes under this measure, but the additional revenue from this change is less than $0.5 million a year.

Inhalant delivery system

The specified inhalant delivery systems are subject to the other tobacco products tax under this measure. The tax rate applied to these systems is 65% of the wholesale price. This tax is new in the state and the revenue impact draws from experience of other states with similar taxing programs.

Increase in the cap on cigar tax

Under current law, the tax rate on cigars is 65% of the wholesale price with the cap at 50 cents per cigar. Under the measure, the cap increases to $1. Currently revenues from 50-cent cap are slightly less than $1 million annually. Some additional revenue is expected with the increase in the cap.

BONDING AND DEBT FINANCE

HB 5005 (CH 661)

This is the main bonding authorization bill. It establishes amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium.

Revenue Impact: (in $Millions):

While Bond proceeds (minus issuance costs) represent increased revenue, debt service payments are reductions to revenues coming to the state system in the particular biennium.

	Total Issuance 2019-21	Cost of issuance 2019-21	Debt Service 2019-21	Net Revenue 2019-21	Debt Service 2021-23	Debt Service 2023-25
GENERAL OBLIGATION BONDS						
General Fund Obligations						
Higher Education Coordinating Comm. - CC (Art. XI-G)	$75.27	($1.16)	$0.00	$74.11	($8.37)	($8.38)
Oregon Business Development Dept. (Art. XI-M)	$101.24	($1.24)	($3.78)	$96.22	($15.69)	($15.71)
Oregon Business Development Dept. (Art. XI-N)	$20.27	($0.27)	($0.76)	$19.24	($3.14)	($3.14)
Oregon Department of Education (Art. XI-P)	$126.09	($1.09)	$0.00	$125.00	($20.27)	($20.30)
Department of Administrative Services (Art. XI-Q)	$623.15	($8.26)	($22.83)	$592.06	($116.89)	($117.03)
Total General Fund	**$946.01**	**($12.01)**	**($27.37)**	**$906.63**	($164.37)	($164.56)
Dedicated Fund Obligations						
Department of Veterans' Affairs (Art. XI-A)	$180.00	($2.70)	($36.00)	$141.30	($72.00)	($72.09)
Dept of Environmental Quality (Art. XI-H)	$10.00	$0.00	($10.02)	($0.02)	$0.00	$0.00
Housing and Community Services Dept (Art. XI-I(2))	$50.00	($0.75)	($10.00)	$39.25	($20.00)	($20.02)
Department of Administrative Services (Art. XI-Q)	$50.14	($0.83)	($4.70)	$44.61	($7.47)	($7.48)
Total Dedicated Fund	**$290.14**	**($4.28)**	**($60.72)**	**$225.14**	**($99.47)**	**($99.59)**
Total General Obligation Bonds	**$1,236.15**	**($16.29)**	**($88.09)**	**$1,131.77**	($263.83)	($264.15)
REVENUE BONDS						
Direct Revenue Bonds						
Housing and Community Services Department	$500.00	($7.50)	($100.00)	$392.50	($200.00)	($200.24)
Highway User Tax	$485.00	($7.28)	($97.00)	$380.72	($194.00)	($194.23)
Oregon Business Development Department	$100.00	($1.50)	($20.00)	$78.50	($40.00)	($40.05)
Total Direct Revenue Bonds	**$1,085.00**	**($16.28)**	**($217.00)**	**$851.72**	**($434.00)**	**($434.52)**

The bonds are categorized as General Fund (General Obligation) GO bonds ($946 Million), Dedicated Funds (General Obligation) GO bonds ($290 Million), and Revenue Bonds ($1.1 Billion). Issuance of the Revenue Bonds and most of the dedicated funds GO bonds are assumed to occur mid 2019-21 biennium. Most of the General Fund GO bonds are to be issued in May 2020 and March 2021. Most of the bonds are assumed to mature in 25 years and be tax exempt at 5% rate. The lottery bonds are shown in the revenue statement of HB 5030.
For more detail on the projects and the agency budgets where the revenue will occur, refer to LFO budget report at:
https://olis.leg.state.or.us/liz/2019R1/Downloads/CommitteeMeetingDocument/205701

HB 5030 (CH 671)

Increases amount of lottery bonds authorized to be issued by Oregon Business Development Department and other departments.

Revenue Impact: (in $Millions):

The revenue impact of lottery bonds includes the proceeds as revenue and costs and debt service as a reduction in revenue.

		Project Amount	Cost of Issuance 2019-21	Debt Service Reserves	Bond Par Value 2019-21	2019-21 Revenue	2021-23 Debt Service	2023-25 Debt Service	Total Life Debt Service
Department of Administrative Services	DAS	$61.33	($1.25)	$5.33	$67.91	$66.66	($10.58)	($10.59)	($105.33)
Housing and Community Services Department	HCSD	$40.00	($0.69)	$3.62	$44.31	$43.62	($7.23)	($7.24)	($72.26)
Higher Education Coordinating Commission	HECC	$6.50	($0.12)	$0.56	$7.18	$7.06	($1.12)	($1.12)	($11.13)
Oregon Business Development Department	OBDD	$106.38	($1.83)	$9.59	$117.80	$115.97	($19.13)	($19.15)	($190.92)
Oregon Department Of Transportation	ODOT	$7.00	($0.15)	$0.61	$7.76	$7.61	($1.21)	($1.22)	($12.04)
Oregon Department Of Veterans Affairs	ODVA	$4.00	($0.06)	$0.35	$4.41	$4.35	($0.69)	($0.69)	($6.83)
Oregon Parks and Recreation Department	OPRD	$5.00	($0.11)	$0.43	$5.54	$5.43	($0.86)	($0.87)	($8.59)
Water Resources Department	WRD	$43.00	($0.85)	$3.76	$47.61	$46.76	($7.49)	($7.49)	($74.78)
Total		**$273.21**	**($5.04)**	**$24.25**	**$302.51**	**$297.46**	**($48.31)**	**($48.37)**	**($481.88)**

House Bill 5030 authorizes the issuance of lottery revenue bonds for specified projects. A total of $273,211,872 of net lottery bond proceeds are authorized to be spent on 37 projects funded through different state agencies.

Total costs of bond issuance are estimated to be $5,040,491. Amounts issued for deposit into debt service reserve accounts are estimated to total $24,252,637. The total life costs of debt service are $481,882,815. Statutory lottery revenue bond authority is established in HB 5005. An authorization of $302,505,000 will allow for the issuance of lottery revenue bonds in HB 5030, generating proceeds for project costs, costs of issuance, and debt service reserves as detailed in the table above.

A more detailed list can be found in the budget report issued by the Legislative Fiscal Office.

COURT FEES

HB 3447 (CH 605)

Increases certain filing fees, Adjusts court fees for inflation. Effective October 1, 2019, most fees will increase 6%.

Revenue Impact:

Of the revenue generated from civil court filing fees, 8.5% is deposited into the State Court Technology Fund and the balance is deposited into the General Fund. Revenue from the marriage solemnization fee is deposited into the Oregon Judicial Department Operating account.

		2019-21	2021-23	2023-25
Revenue Increase from New Fee		**$ 3,359,931**	**$ 3,897,520**	**$ 4,139,636**
Technology Fund	**-8.5%**	$ (285,594)	$ (331,289)	$ (351,869)
OJD Operating Account		$ (3,293)	$ (3,820)	$ (4,068)
General Fund Amounts (new)		$ 3,071,044	$ 3,562,411	$ 3,783,699

Sections 1-11 and 25 of the amendment increase most filing fees except for standard filings for foreign judgments which were lowered. Sections 12-14 of the amendment increase motion fees. Sections 15-16 of the amendment increase settlement conference fees. Sections 17-18 of the amendment increase trial fees. Sections 19-21 of the amendment increase document fees.

Section 19 expands the ability of a successful plaintiff to collect amounts related to the costs of enforcing judgments, including obtaining and executing a writ of garnishment. The revenue from this fee would not go to the General Fund; it would be retained by the collecting entity as an internal operating expense. Section 22 of the bill increases the marriage solemnization fee by 6%, from $110 to $117. The new revenue would be distributed to the Oregon Judicial Department's Operating Account.

Statutory Reference	Fee Category	Current Fee Amount	New Fee Amount
ORS 21.258(1); CJO 14-066(7)	Certificate	$ 5	$ 6
ORS 21.160(1)(a)	Civil Filing 10K or less	$ 165	$ 170
ORS 21.160(1)(a); 24.135(3)	Civil Filing 10K or less - Foreign Judgments	$ 165	$ 190
ORS 18.999; 21.235(1)(a), (1)(b), (1)(c)	Document Handling Fee	$ 17	$ 18
ORS 21.155(1), (2), (3)	Domestic Relations	$ 287	$ 301
ORS 21.205(3)(a), (3)(b)	Enforcement Motion	$ 53	$ 56
ORS 105.130(2)(a); 105.130(3)	FED Filing	$ 83	$ 88
ORS 36.425(2)(b), (2)(c)	Filing Notice of Appeal	$ 150	$ 159
ORS 21.170(2)(d); 21.180(1)(d), (2)(d)	Graduated Accounting Fee >$10M	$ 1,109	$ 1,176
ORS 21.170(1)(b), (2)(c); 21.180(1)(b), (2)(c)	Graduated Accounting Fee $1M to $10M	$ 558	$ 591
ORS 21.170(2)(b); 21.180(2)(b)	Graduated Accounting Fee $50,000 to $1M	$ 281	$ 298
ORS 21.170(2)(a); 21.180(2)(a)	Graduated Accounting Fee <$50,000	$ 33	$ 35
ORS 21.160(1)(d)	Graduated Filing $1M to $10M	$ 834	$ 884
ORS 21.170(1)(c); 21.180 (1)(c)	Graduated Filing $1M to $10M - Probate	$ 832	$ 882
ORS 21.160(1)(c)	Graduated Filing $50,000 to $1M	$ 560	$ 594
ORS 21.170(1)(b), (2)(c); 21.180(1)(b), (2)(c)	Graduated Filing $50,000 to $1M - Probate	$ 558	$ 591
ORS 21.160(1)(b)	Graduated Filing <$50,000	$ 267	$ 283
ORS 21.170(1)(a); 21.180(1)(a)	Graduated Filing <$50,000 - Probate	$ 265	$ 278
ORS 21.160(1)(e)	Graduated Filing >$10M	$ 1,111	$ 1,178
ORS 21.170(1)(d), (2)(d); 21.180(1)(d), (2)(d)	Graduated Filing >$10M - Probate	$ 1,109	$ 1,176
ORS 106.120(4)(a)	Marriage Solemnization	$ 110	$ 117
ORS 21.215(3)	Settlement Conference Civil	$ 210	$ 223
ORS 21.215(1)	Settlement Conference Domestic	$ 105	$ 111
ORS 21.145(1),(2),(3),(4)	Simple Filing	$ 117	$ 124
ORS 21.145	Simple Filing - Foreign Judgments	$ 117	$ 124
ORS 46.570(1)	Small Claims <$2500	$ 55	$ 57
ORS 46.570(2)	Small Claims >$2500	$ 99	$ 102
ORS 21.135(1), (2)(a), (2)(b), (2)(c), 2(d), (2)(e), (2)(f)	Standard Filing	$ 265	$ 281
ORS 21.135(3)(a)	Standard Filing - Adoptions	$ 255	$ 263
ORS 21.135(1), (2)(g)	Standard Filing - Foreign Judgments	$ 265	$ 190
ORS 21.200(1)(a), (1)(b), (1)(c), (1)(d), (1)(e), (1)(f)	Standard Motion	$ 105	$ 111
ORS 21.205(1)	Supplemental Judgment Motion	$ 158	$ 167
ORS 21.225(3)(a)	Trial Fee 12 Person Jury (per day)	$ 236	$ 250
ORS 21.225(3)(a)	Trial Fee 6 Person Jury (per day)	$ 158	$ 167
ORS 21.225(2)	Trial Fee Non-Jury	$ 131	$ 139
ORS 21.235(2)	Writ or Garnishment Fee	$ 45	$ 47

OREGON LIQUOR CONTROL COMMISSION (ALCOHOL)

SB 248 (CH 420)

Increases certain fees charged by Oregon Liquor Control Commission. Establishes $10 per day fee for temporary use of annual license.

Revenue Impact: General Fund, and Local Governments.
This measure will increase revenues available for distributions by $9 million in the 2019-21 biennium ($5.2 GF), $10.0 million in the 21-23 biennium ($5.6 GF), and $10.2 million in the 23-25 biennium ($5.7 GF). The revenue trend will continue after that. Out of the total new revenue 34% goes to the cities, and the remainder goes to counties.

This measure is a pure cost recovery (collection costs) bill, that would not have traditionally generated extra revenues to the general fund and other uses. However, these costs seem to be currently subsidized by the OLCC liquor revenues. When the costs are otherwise recovered according to their actual occurrence, then the liquor revenue will revert back to the distribution stream. The net revenue from the liquor operations goes into the OLCC account. Available revenue in the OLCC account are distributed 56% to the state General Fund, 10% to counties by population, 20% to cities by population, and 14% to cities by formula.

SB 112 (CH 542)

Modifies provisions for collection of taxes on grape products used in wine production. Requires $12.50 of the $25.00 per ton tax to be levied and assessed against the winery purchasing grape products. Creates an exemption from such tax if the grapes are produced within a federally approved American Viticultural Area (AVA) located partially within the state and does not use an Oregon designation or Oregon AVA on its label or packaging. Specifies that if a winery purchasing grapes holds a license or permit from the Oregon Liquor Control Commission (OLCC), then the purchasing winery would be required to pay the $25.00 tonnage tax and deduct $12.50 per ton from price paid to the seller. Specifies that if a purchasing winery does not hold a license or permit from OLCC, then the winery would be required to report the sale on forms provided by the OLCC and pay the tax as directed by OLCC. Stipulates tax paying responsibilities on either the purchasing winery or the person selling or providing the grape products under specified conditions.

All licensees who hold a Winery or Growers Sales Privilege (GSP) license are required to file an annual report. Any vineyard that exports vinifera or hybrid grapes or grape products is required to file an annual report. Unlicensed vineyards who do not export are not required to file but are encouraged to file Information Reports on an annual basis for OLCC tracking purposes. A winery that uses the vinifera or hybrid grapes or grape products in the production of wine or cider over 8.5%, and any Oregon vineyard that exports vinifera or hybrid grapes or grape products are responsible for paying the tax. The Oregon Wine Board tax is neither a harvest nor grape tax. It is a tax on the sale or use of all agricultural products used in a winery for making wine, as well as all vinifera or hybrid grapes or grape products exported out of Oregon. A tax of $.021 per gallon is imposed upon all agricultural products other than grapes used to make wine or cider over 8.5%. A tax of $25 per ton is imposed upon juice or juice concentrate used in the production of wine. A tax of $12.50 per ton is imposed upon all vinifera or hybrid grapes or grape products sold outside of Oregon.

Revenue Impact: Indeterminate for the following reasons:

This measure requires vineyards to pay $12.50 per ton to the commission if they sell to a winery that is not licensed, permitted or certified by the Oregon Liquor Control Commission. The winery is also required to pay $12.50 per ton for received grapes.

This measure also provides grape-ton tax requirements for winery licensees, wine certificate or permit holders with the Oregon Liquor Control Commission (OLCC). Wineries are required to report their use of Oregon grapes and submit $25 per ton of grapes and withhold $12.50 per ton from their payment to grape producers.

This process might increase revenue coming from the wineries that are not reporting and paying the ton tax today. However, the obligation of the amounts being paid today by the sellers will transfer to the winery and might dilute that payment obligation. This may lead to loss of revenue, almost equal to the potential gain. OLCC does not currently have a grower registration and enforcement mechanism. Accordingly, overall revenue impact is uncertain until such mechanism is established.

The measure creates in Section 3 an exemption from the tax if the grapes are produced within a federally approved American Viticultural Area (AVA) located partially within the state and does not use an Oregon designation or Oregon AVA on its label or packaging.

The exemption is a new exemption with no sunset date in the text of the law, thus it might fall under the implicit 6-year sunset law for new tax expenditures (ORS 315.037).

LOTTERY

SB 1049 (CH 355)

Relates to the public employees retirement system (PERS) and contains provisions addressing the system funding.

Revenue Impact: This measure does not change provisions governing lottery, so there is no direct revenue impact.

However, the measure directs the transfer of lottery revenue from sports betting games to be used as state matching funds for employer contributions into new and existing PERS side accounts. Sports betting games are yet to be implemented and when implemented, they could affect revenues from other lottery games. Currently, there is no credible data on potential revenue from sports betting. At the same time, the impact of yet-to-be implemented sports betting games on other lottery games is indeterminate.

MEDICAL PROVIDER TAX

HB 2010 (CH 2)

Moves the sunset to 2026 and increases the assessment to two percent, on health plan premiums of insurers, the Public Employees' Benefit Board (PEBB), and managed care organizations (MCO). Subjects health care stop-loss coverage to such assessment. Moves the sunset of the assessment on specified hospitals to 2025. Moves the sunset of the Oregon Reinsurance Program to 2028.

Revenue Impact (in $Millions):

(1) Oregon Health Plan

	Biennium	
	2019-21	**2021-23**
(A) Insurer Tax	**$152.5**	**$325.1**
Assessment on Insurers	$131.3	$291.6
Assessment on PEBB	$17.2	$29.0
Assessment on Stop-Loss	$4.0	$4.5
(B) Assessment on MCO	**$182.0**	**$254.0**
(C) Hospital Assessment	**$0.0**	**$1,232.2**
Assessment on DRG Hospitals	$0.0	$1,072.2
Assessment on Type A and Type B Rural Hospitals	$0.0	$160.0
Total Revenue (A + B + C)	**$334.5**	**$1,811.3**

Source: Oregon Health Authority, Oregon Department of Consumer and Business Services

This analysis focuses on new and additional revenues. Federal matches and other budget issues are addressed in the fiscal impact statement by the Legislative Fiscal Office.

Current insurer tax of 1.5% on health plan premiums and 1.5% assessment on MCO premium equivalents are set to sunset at the end of 2019. This bill moves the sunset to December 2026. The revenue impact captures new revenues from six quarters of FY 2019-21 (but five quarters of collections due to filing and collection lag) and all eight quarters of 2021-23.

Under current law, assessment on net patient revenues of Diagnosis-Related Group (DRG) hospitals and rural Type A and Type B hospitals continues through September 2021. This bill moves the sunset to September 2025. Assessment rates stay the same. Consequently, there is no change in FY 2019-21 revenue from the assessment. New revenue for FY 2021-23 reflects seven quarters of assessment, starting from 2Q of FY 2021-22.

(2) General Fund

	Biennium	
	2019-21	2021-23
General Fund	-$5.0	-$8.0

As a result of an insurance premium tax on health plans delivered or issued for delivery in Oregon, non-Oregon domiciled insurers are subject to less retaliatory insurance tax that flows into the General Fund. Oregon Department of Consumer and Business Services estimates that the retaliatory tax will decline by slightly over $4 million per calendar year.

TRANSIENT LODGING TAX

HB 3136 (CH 600)

Allows the Department to withhold no more than $900,000 from revenue that is transferred to the Oregon Tourism Commission, for the purpose of establishing a system for collecting local transient lodging taxes based on local rather than to regional information. Requires department to reimburse commission, with 2% interest, from reimbursement charges that would be withheld from state transient lodging tax revenues by transient lodging intermediaries but for disallowance of such charges. Provides for refunds by department to transient lodging intermediaries of amounts received in excess of $900,000 that would otherwise have been withheld by intermediaries as collection reimbursement charge. Requires department to notify Legislative Counsel after department has fully reimbursed commission. Allows the Department of Revenue to engage in a pilot program for data-scraping by purchasing access to metadata, with at least two but not more than four units of local governments. Sunsets the pilot program on January 2, 2023.

The 2005 Legislative Assembly (HB 2197) expanded the definition of transient lodging to include dwelling units used for temporary human occupancy. Temporary is defined as fewer than 30 days at a time. Most recently, the 2013 Legislative Assembly (HB 2656) clarified circumstances under which a transient lodging intermediary rather than a lodging provider would be the entity responsible for collecting and remitting transient lodging taxes. A transient lodging intermediary is defined as “a person other than a transient lodging provider that facilitates the retail sale of transient lodging and charges for occupancy of the transient lodging.” Transient lodging intermediaries include online travel companies, travel agents, and tour outfitter companies, among others. Eighty-four cities and fifteen counties in Oregon levy a locally administered transient lodging tax and are also included in that definition. Online Travel Companies (OTC) will have to collect the tax based on the final price that the consumer pays. HB 4146 of the 2016 session Increased state transient lodging tax rate from the current 1% to 1.8% till end of June 2020, then it goes down to 1.5% from that date on. The bill also changed the distribution of revenue from a discretionary amount with a ceiling of 15% to two categories for regional development. Allocates 20% of revenue to the first category for regional development, and 10 % to the second category consisting of grants to regional tourism efforts concerning transient lodging taxpayers. Additionally, DOR to be able to collect for local governments under intergovernmental agreements.

Revenue Impact: Minimal

The measure will improve and streamline collections and compliance with current law. This will be an enforcement and administration efficiency measure. It is likely to improve revenue collection and auditing.

To improve compliance with predominately local, and then state, lodging taxes, House Bill 3136 establishes a funding mechanism for the Department of Revenue to administer local transient lodging taxes on behalf of participating local governments. In a survey of local governments, the League of Oregon Cities found 46 city governments were either interested or very interested in using the Department to collect their local transient lodging tax. While House Bill 2400 (2017) authorized the Department to collect local transient lodging taxes, the cost of implementing these new taxes within Gentax, the Department's main tax processing software, was considered prohibitive for any one unit of local government and there was no uptake of the program. For te budget arrangements for this measure refer to the budget report.

https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureAnalysisDocument/52281

HB 3137 (CH 498)

Provides that transient lodging tax becomes due when occupancy of transient lodging with respect to which tax is imposed ends. Provides that transient lodging tax to be remitted with tax return is amount of tax due with respect to all occupancy of transient lodging that ended during reporting period to which return relates.

In 2003, the Legislative Assembly (HB 2267) decided to designate the Oregon Tourism Commission a stand-alone agency. The same legislative action established a statewide one percent transient lodging tax to help fund the tourism commission. Under the 2003 law the Legislature defined transient lodging in ORS 320 as "hotel, motel and inn dwelling units that are designed for temporary overnight human occupancy, and [which] includes spaces designed for parking recreational vehicles during periods of human occupancy of those vehicles." The law requires the Oregon Tourism Commission to spend at least 80 percent of lodging tax net receipts on state tourism marketing programs and up to 15 percent of net receipts on regional tourism marketing programs. The same bill restricted any local TLT taxes (after 2003) to be spent 70% on tourism and 30% to general uses.

The 2005 Legislative Assembly (HB 2197) expanded the definition of transient lodging to include dwelling units used for temporary human occupancy. Temporary is defined as fewer than 30 days at a time. Most recently, the 2013 Legislative Assembly (HB 2656) clarified circumstances under which a transient lodging intermediary rather than a lodging provider would be the entity responsible for collecting and remitting transient lodging taxes. A transient lodging intermediary is defined as "a person other than a transient lodging provider that facilitates the retail sale of transient lodging and charges for occupancy of the transient lodging." Transient lodging intermediaries include online travel companies, travel agents, and tour outfitter companies, among others. Eighty-four cities and fifteen counties in Oregon levy a locally administered transient lodging tax and are also included in that definition. Online Travel Companies (OTC) will have to collect the tax based on the final price that the consumer pays. HB 4146 of the 2016 session Increased state transient lodging tax rate from the current 1% to 1.8% till end of June 2020, then it goes down to 1.5% from that date on. The bill also changed the distribution of revenue from a discretionary amount with a ceiling of 15% to two categories for regional development. Allocates 20% of revenue to the first category for regional development, and 10 %

to the second category consisting of grants to regional tourism efforts concerning transient lodging taxpayers. Additionally, DOR to be able to collect for local governments under intergovernmental agreements.

Revenue Impact: Minimal

The measure will improve and streamline collections and compliance with current law.
If the new enforcement increases compliance, the revenue to state and local governments that impose local tax may increase. However, the new measures might not find many loopholes to tighten, thus it can't generate higher revenue.

HB 3138 (CH 499)

Provides that exemption from transient lodging taxation for dwelling unit used by members of general public for temporary human occupancy for fewer than 30 days per year does not apply to dwelling unit rented out as transient lodging using platform of any kind provided in any manner by transient lodging intermediary.

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Revenue Impact: Minimal

The measure will improve compliance and information sharing between the state (DOR), Online platforms, and local governments. This collaboration is likely to improve collection and enforcement of tax collection for transient lodging taxes. This collaboration might provide higher level of revenue However, it might be savings in future administration cost.

UNEMPLOYMENT INSURANCE TAX

HB 2660 (CH 407)

Removes prohibition on payment of unemployment insurance benefits to nonprofessional employees of an educational institution providing facilities or janitorial services for weeks of unemployment, commencing during a period between two successive academic years or terms. Applies to weeks of unemployment beginning on or after the effective date of this bill.

Revenue Impact (in $Millions):

	Fiscal Year			Biennium	
	2019-20	2020-21		2019-21	2021-23
Unemployment Insurance Trust Fund	- $0.16	- $0.37		- $0.53	- $1.0

Data Source: Oregon Employment Department

This bill affects mostly reimbursing employers, which means unemployment benefits paid out to eligible beneficiaries will be paid back to the unemployment insurance (UI) trust fund by these reimbursing employers. Loss to the UI trust fund in this case will originate from interest losses due to timing of pay-out and reimbursement.

There will be some unemployment benefits paid to eligible beneficiaries of UI tax paying employers. Oregon Employment Department (OED) estimates that these payments, thus loss to the UI trust fund, will amount to $420,000 in the 2019-21 biennium and $560,000 in the 2021-23 biennium. These outflows will result in interest earnings loss.

The revenue impact here combines interest losses and benefits pay-out attributable to UI tax paying employers.

HB 3120 (CH 168)

Provides that an individual may not be disqualified for unemployment insurance benefits for voluntarily leaving work, failing to apply for available suitable work or failing to accept suitable work, if the individual or a member of the individual's immediate family was a victim of certain crime of intimidation, if the individual believes that the individual or an immediate family member of the individual could become a victim of crime of intimidation, or if individual seeks to protect oneself or an immediate family member from crime of intimidation that the individual reasonably believes will occur as a result of the individual's continued employment or acceptance of work.

Revenue Impact (in $Millions):

	Biennium		
	2019-21	2021-23	2023-25
Unemployment Insurance Trust Fund	-$0.3	-$0.4	-$0.4

Data Source: Oregon Employment Department

The Oregon Employment Department (OED) estimates that slightly under 60 individuals would meet the criteria specified in the bill over a biennium, thus newly qualifying for unemployment insurance (UI) benefits. Revenue impact on UI trust fund assumes similar number of cases prevailing over the following biennia.

MISCELLANEOUS

HB 2005 (CH 700)

Creates a paid family and medical leave (PFML) insurance program to provide eligible employees compensated time off from work for specified purposes. Directs the Oregon Employment Department (OED) to set the contribution rate at up to one percent of gross wages. Allows OED to either administer the program or contract with a third party. Specifies that the contribution be made by employees and employers through payroll deduction. Exempts specified employers from making contribution. Dedicates contributions to the PFML Insurance Fund to pay benefits and administrative expenses and provide grants to eligible small employers. Caps benefit amounts and establishes minimum benefit payments. Becomes operative on January 1, 2022.

Revenue Impact (in $Millions):

	Biennium		
	2019-21	2021-23	2023-25
Total Contribution to Family and Medical Leave Insurance Fund	$0.0	$1,571.9	$2,246.5
Employers (40%; Excludes Exempt Employers)	$0.0	$542.3	$775.0
Employees (60%)	$0.0	$1,029.6	$1,471.5

Data Source: Oregon Employment Department

The paid family and medical leave (PFML) insurance program in this measure is going to be administered in a manner similar to the state's unemployment insurance program. One important difference is that the contributions to the PFML insurance fund come from both employers and employees, while those to the unemployment trust fund are made only by employers. Contributions to the PFML fund are then used to provide eligible employees compensated time off from work for specified purposes.

According the Oregon Employment Department (OED), the Quarterly Census of Employment and Wages (QCEW) covers approximately 97% of total employment, excluding federal employment. QCEW data forms the basis for the revenue impact analysis. The wages paid by the specified exempt employers are excluded from the calculation of the employer share contribution. The employees of such exempt employers are still required to contribute their share to the PFML insurance fund. The analysis reflects only the contributions to the fund made by employers and employees through payroll deductions, not including specified fees and penalties, and expected interest earnings for the fund.

HB 2449 (CH 653)

Phasing in over two years, increases taxes for emergency communications to $1.25 per month or per transaction as appropriate. Reduces limit on amount of reimbursement for administrative costs for Oregon Emergency Management from 4% to 2.4% beginning in second year, and Department of Revenue from one percent to six tenths of one percent. Extends sunset from 2022 to 2030. Specifies that interest earned by the Emergency Communications Account must be credited to the 9-1-1 Subaccount.

Revenue Impact (in $Millions):

	Biennium		
	2019-21	2021-23	2023-25
Total 911 fee collection	$15.1	$62.3	$64.8
Dept of Revenue Admin Fee savings	$.09	$0	$0
Office of Emergency Management Fee Savings	-$.6	$0	$0
Total increase in Revenue available for distribution	$14.6	$62.3	$64.8

There is increase in overall collections driven by the higher 911 fees assessed on accessible lines. In the first effective year of the bill, 2020, the 911 fee increases from seventy five cents to one dollar. That increase, along with the minimal changes in first year administrative costs generate a $14.6 million increase. By the second effective year and thereafter, the increase of the 911 fee to $1.25 offsets the reduction of appropriated rates to the Department of Revenue and Office of Emergency Management.

SB 76 (CH 313)

Authorizes the Oregon Racing Commission to issue an exchange wagering license to a qualified applicant. Specifies that the commission may impose a fee on an exchange wagering licensee's exchange revenue. Takes effect on passage.

Revenue Impact: Indeterminate

This bill specifies a regulatory framework for Oregon's exchange wagering market, in which participants place wagers against each other, through Advance Deposit Wagering (ADW), by offering and accepting identically opposing wagers on the outcome of races. New Jersey is the only state that has this market in place.

If allowed, the exchange wagering may add to ADW revenues, thereby resulting in additional revenue to the regulator, the Oregon Racing Commission (ORC), to the extent that this new wagering scheme does not adversely affect other wagers. However, available data is limited for any credible revenue impact analysis as New Jersey is the only U.S. state with exchange wagering.

While it may take some time to take its root, this market has a potential for expansion and additional revenue as Oregon becomes the second state to offer exchange wagering and as technology allows robust online wagers.

SB 250 (CH 285)

Aligns key provisions of the Affordable Care Act with the Oregon law. Prohibits health benefit plans from discriminating based on actual or perceived race, color, national origin, sex, sexual orientation, gender identity, age or disability. Prohibits insurance carriers from applying preexisting condition exclusions or a waiting period, on individuals applying for a health benefit plan. Exempts grandfathered plans from such prohibition. Allows the Oregon Department of Consumer and Business Services (DCBS) to assess fees on exempt health benefit plans for the purpose of mitigating inequity in the health insurance market. Applies to health insurance policies issued or renewed on or after January 1, 2020.

Revenue Impact: Indeterminate

The bill allows the DCBS to assess a fee on an exempt insurer to mitigate potential inequity in the insurance market. The fees are dedicated to the General Fund (GF). The DCBS has yet to investigate if inequity exists. Furthermore, the bill does not prescribe a fee or any fee assessing mechanism even if the DCBS identifies inequity. It is therefore not feasible to estimate how much revenue, if at all, will be added to the GF.

When a fee is assessed on a non-Oregon domicile insurer, the insurer is subject to less retaliatory insurance tax in Oregon that flows into the GF. Due to lack of data on fees from the change in this bill, it is not possible to estimate the negative impact on the GF.

Consequently, the impact on the GF is indeterminate.

SB 980 (CH 474)

Modifies procedures by which eligible moneys are collected from Department of Corrections inmates for payment of court-ordered financial obligations.

Revenue Impact: The changes in the measure allow the Oregon Department of Corrections (DOC) to collect an inmate's specified eligible moneys from the inmate's trust account for disbursement to the Department of Justice and the Judicial Department so that they can apply these moneys for the inmate's court-ordered financial obligations.

The Judicial Department estimates that in the 2019-21 biennium, $1.2 million will flow into the Criminal Fine Account and $450,000 into the General Fund from DOC collections on circuit court criminal judgments.

SB 1051 (CH 687)

Establishes, if House Bill 2020 became law, a fuel tax credit available to eligible persons for purpose of mitigating carbon price indirectly paid through purchase of fuel to propel eligible motor vehicles on public highways. Also, creates a fuel tax refund related to farm and forest activities.

The 2019 Legislative Assembly was considering House Bill 2020, which proposes a statewide cap and trade program designed to reduce greenhouse gas emissions. If the cap and trade program became law in Oregon, the measure would require a credit available to eligible persons, meeting certain income requirements, for the purpose of mitigating the carbon price indirectly paid through purchase of fuel to propel an eligible motor vehicle and a refund available to certain persons for the purpose of mitigating the carbon price indirectly paid through the purchase of fuel for certain farming and forestry activities. HB 2020 did not pass, so this bill will not be implemented.

Revenue Impact: The impact will not occur since HB 2020 didn't pass.
If HB 2020 had passed, the transfers mandated by the measure would have been off the top of the collection streams before any other distribution occurs.

The positive revenue transfers into the funds above will be negative transfers from the CIF and TDF.

Refund Program receives transfers from Climate Investment Fund (CIF) & Transportation Decarbonization Investments Fund (TDF)			
Farm & Forest Climate Action Reimbursement Fund (CIF)	$12.9	$16.3	$20.4
Farm & Forest Climate Action Reimbursement Fund (TDF)	$6.92	$8.76	$10.95
Farm & Forest Climate Action Reimbursement Fund **Total Transfer**	**$19.80**	**$25.05**	**$31.31**

The Credit Program operated through the Income Tax process receives equal revenue transfers from the Transportation Decarbonization Investments Fund (TDF)			
Transfer to Climate Action Reimbursement Fund	**$282.4**	**$357.2**	**$446.5**

The measure establishes a fuel tax credit administered through the income tax system, and a refund for farming and forest products. The credit is processed through the Climate Action Reimbursement Fund (CARF), which is funded from 30% revenue transfer from the Transportation Decarbonization Investments Fund (TDF). The CARF is continuously appropriated to DOR to issue credits to individuals through the personal income tax return beginning on or after January 1, 2021. The credits are based on the annual estimate for each county of: the median vehicle miles travelled for the county; median number of gallons of fuel used travelling the median vehicle miles for the county; and the per-gallon carbon price. The per capita estimates (single and double for joint filers).

The Farm and Forest products refund is performed through a separate refund account and is administered by ODOT. The refund is equal to the number of gallons of fuel used per year in farm and forest activities multiplied by the statewide per-gallon carbon price. The fuel that is used on public roads will be refunded form the TDF, while fuel not used in manner that is constitutionally restricted the highway fund, will be refunded from the Climate Investment Fund (CIF).

The policy purpose of this measure is mitigating the carbon price indirectly paid through purchase of fuel to propel an eligible motor vehicle, and a refund available to certain persons for mitigating the carbon price indirectly paid through the purchase of fuel for certain farming and forestry activities.