

**2007 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 3260                      **STATUS:** A-Engrossed  
**SUBJECT:** Creates Tax Accountability Commission  
**GOVERNMENT UNIT AFFECTED:**  
**PREPARED BY:** Adrienne Sexton  
**REVIEWED BY:** Theresa McHugh, Dallas Weyand, Daron Hill  
**DATE:** June 19, 2007

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	<u>2007-2009</u>	<u>2009-2011</u>
<b>EXPENDITURES – General Fund:</b>		
<b>Legislative Revenue Office</b>	\$ 30,408	\$ 0

**EFFECTIVE DATE:** On passage.

**GOVERNOR’S BUDGET:** This bill is not anticipated by the Governor’s recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The measure would create a 14-member Tax Accountability Commission comprised of six legislators and eight other individuals with specific professional expertise or who are representatives of the public, business and labor organizations, and the Office of Economic Analysis. Commission responsibilities include: adopting criteria to be used to conduct a review of tax expenditures; reviewing a list of tax expenditures that includes the 50 most expensive; adopt measures for each of those for purposes of considering whether to extend a tax expenditure’s repeal date; establishing a regular review cycle for tax expenditures that have no repeal date; and make recommendations on adopting statutory requirements for tax expenditures, changes needed to coordinate the loss of revenue with the state budget, the appropriate duration of tax expenditures, and whether a clarification is needed regarding the number of votes required to eliminate a current tax expenditure.

The commission is authorized to use staff from the Legislative Revenue Office (LRO), Department of Revenue (DOR), Secretary of State, and Department of Administrative Services (DAS). As needed, the commission is authorized to hire independent experts. For purposes of this fiscal statement, it is assumed that LRO would provide the principal staff work and supporting services and supplies, obtain consulting services estimated at \$10,000, and fund legislators’ per diem and mileage for ten meetings (approximately \$8,148). LRO total estimated costs for 2007-09 are \$30,408. The Co-Chairs’ recommended budget does not contain funding for these expenses.

There are no reported costs for DOR, Secretary of State and DAS.

The Legislative Fiscal Office notes that under the provisions of SCR 1 (2007) a special session of the Legislative Assembly is anticipated in February 2008. LFO assumes this session would be staffed by permanent staff of the legislative offices. Thus, the availability of LRO staff in the run-up to this special session, the duration of the session, and the post-session work could be limited, potentially affecting staff availability to the commission during this time period.