

# REVENUE IMPACT OF PROPOSED LEGISLATION

Seventy-Sixth Oregon Legislative Assembly  
2012 Regular Session

**Legislative Revenue Office**

<b>Bill Number:</b>	<b>SB 1591-B</b>
<b>Revenue Area:</b>	<b>Highway Fund</b>
<b>Economist:</b>	<b>Mazen Malik</b>
<b>Date:</b>	<b>Feb-28-2012</b>
	<b>Corrected</b>

**Measure Description:** Makes changes to membership and powers of Travel Information Council. And restricts any use of Transient Lodging taxes for this purpose. Adjusts allocation of revenue to the Travel Information Council (TIC) and changes the duties and the rest areas serviced by the Council.

**Revenue Impact:** The reduction in revenue to the state is \$3.9 million in the 2011-13 biennium and \$10.1 million each biennium starting 2013-15. However, there is an increase in transfers to cities, counties and to the Travel Information Council.

	<b>2011-13</b>	<b>2013-15</b>	<b>2015-17</b>
Transfer to TIC	(\$5.42)	(\$13.10)	(\$13.10)
Transfer to counties	(\$0.90)	(\$1.80)	(\$1.80)
Transfer to cities	(\$0.60)	(\$1.20)	(\$1.20)
<b>Gross reduction to Hwy Fund</b>	<b>(\$6.92)</b>	<b>(\$16.10)</b>	<b>(\$16.10)</b>
Current Funding to TIC repealed	\$3.00	\$6.00	\$6.00
Net revenue reduction to ODOT (Hwy Fund)	(\$3.92)	(\$10.10)	(\$10.10)

Further impacts are also likely as described in the last paragraph of the explanation section.

## Impact Explanation:

The Oregon Travel Information Council (TIC) is a semi-independent state agency, which assumed management of nine rest areas in five locations in Oregon in 2010. The effort was funded through an annual \$3 million revenue transfer in HB 2001. Funding in this measure, however, is moved from a shared responsibility (as it was in HB 2001) to a sole expense of the state. The measure increases the number of rest areas to be serviced by the council, and allocates \$457,000 (April 2012), and transfers an additional \$1,960,000 for the second year of the biennium and the added rest areas responsibility. Starting next biennium (2013-15) the amount of revenue transfer out of the state portion of the highway fund will be \$6,550,000 a year (\$13.1 million a biennium). This is including and replacing the \$3 million transferred annually as a result of HB 2001 (Jobs and Transportation Act). Moving the revenue transfer to the state share of the highway Fund adds to the local government revenue share from HB 2011. There is a reduction in the maintenance budget by (\$691,963).

The bill also references a source of new revenue (section17) coming from DAS (DMV record sales), which is estimated at \$9 million a year, and only referenced in an interagency agreement. This is the same money source that is alluded to in the **HB1543** budget report, which increases payments to Multnomah County by \$14.5 million for the sellwood interchange and Cornelius pass road. After accounting for the new revenue (\$10.54 million), that payment will reduce the highway fund by an additional \$3.96 million in the 2011-13 biennium for a total of (\$10.88 million). However, these funds are not subject to the 60/40 split with local government, and it will result in net increase to the State Highway Fund (ODOT) of about \$1.9 million in 2013-15 and the biennia following that. Thus, (assuming all the record sales levels are not impacted by price) it will take about 11 years (end of 2025) for the fund to break even (in simple terms and not considering other factors) and start realizing new revenue.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

State Capitol Building  
900 Court St NE, Room 143  
Salem, Oregon 97301-1347

Phone (503) 986-1266  
Fax (503) 986-1770  
<http://www.leg.state.or.us/comm/lro/>