

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office

Bill Number:	SB 5529 A
Revenue Area:	School Finance
Economist:	Dae Baek
Date:	7/4/2017

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description: Allocates, transfers, and distributes available lottery resources to various funds and accounts as specified in the Constitution and statutes. Distributes marijuana tax revenues as specified in the statutes.

Revenue Impact (in \$Millions): The 2017-19 State School Fund remains unchanged at \$8.2 billion.

(1) Allocation of Lottery Revenue

SB 5529 Budget Report and Measure Summary by the Legislative Fiscal Office details the distribution based on the Oregon Constitution and statutes. It also tabulates legislative distribution of lottery revenue available for discretionary spending. A new constitutionally mandated dedication is the Veterans' Services Fund (1.5% of net proceeds), and a new statutorily required distribution is the Outdoor School Education Fund (4% of net proceeds, but not more than \$5.5 million per quarter adjusted for inflation).

In particular, **SB 5529** allocates \$464.8 million of lottery revenue to the State School Fund. This amount is \$12.5 million more than what was assumed in the State School Fund bill **SB 5517**.

(2) Allocation of Oregon Marijuana Account

The table below shows distributions of marijuana tax revenues, assuming that HB 3470 becomes the law. **HB 3470** redirects the Common School Fund share to the State School Fund (SSF). \$81 million to the SSF is \$17.9 million more than the amount in the State School Fund bill **SB 5517**.

	Share	Biennium 2017-19
Total* (Oregon Marijuana Account)	100%	\$202.5
Cities	10%	\$20.3
Counties	10%	\$20.3
State School Fund	40%	\$81.0
Mental Health, Alcoholism and Drug Services	20%	\$40.5
Drug and Alcohol Abuse Prevention and Treatment	5%	\$10.0
State Police	15%	\$30.4

*includes 2015-17 carry forward.

Impact Explanation: This bill in conjunction with **HB 5006** leaves intact the 2017-19 State School Fund (SSF) at \$8.2 billion. Previously, **SB 5517** pegged the 2017-19 biennium SSF at \$8.2 billion. That bill assumed \$63.1 million of marijuana tax revenues and \$452.3 million from lottery revenue distributed to the fund.

The total SSF for the biennium stays at \$8.2 billion despite the seeming increase of marijuana tax and lottery revenue distributions to the SSF by \$30.4 million in this bill. Allocation adjustments in the General Fund, Lottery Revenue, and Oregon Marijuana Account in **HB 5006** make sure the SSF remains at \$8.2 billion. In **HB 5006**, the General Fund allocation to the SSF declines by \$30.4 million. On net, there is no change in the SSF for the 2017-19 biennium.

Creates, Extends, or Expands Tax Expenditure: Yes No