

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: SB 450 - 1

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Tim Walker
Reviewed by: Gregory Jolivet, Ken Rocco, Michelle Deister
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Measure Description:

Removes from conditions for increases in fuel taxes scheduled for 2022 and 2024 requirement related to compliance with laws requiring least cost for construction of public improvements by contracting agencies scheduled to receive fuel tax revenue from increases.

Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI), Cities, Counties, Oregon Department of Transportation (ODOT)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis: Under current law, the 2022 and 2024 fuel tax increase enacted as part of HB 2017 cannot take effect if one or more contracting agencies that would otherwise receive proceeds of the tax are not in compliance with least cost contracting requirements. This measure removes the least cost compliance stipulation, thereby allowing the gas tax increases to take effect even if some entities do not meet the least cost requirement and prohibits the Oregon Department of Transportation (ODOT) from awarding fuel tax proceeds to contracting agencies who fail to comply with least cost construction requirements for public improvements.

The Bureau of Labor and Industries (BOLI) is required to identify public contracting agencies failing to meet requirement within five years of the findings. ODOT is required to withhold increases in gas tax revenue while still paying previous rates. BOLI does not anticipate a fiscal impact as result of this measure, but ODOT would need to establish an administrative process to determine withholdings. The number of public contracting agencies affected, and amount of fuel tax revenue withheld is unknown. Therefore, the fiscal impact of the bill is indeterminate.