

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2850 - 1**

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office

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

Prepared by: Tim Walker  
Reviewed by: Paul Siebert, Julie Neburka, Laurie Byerly  
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**Measure Description:**

Directs Office of Emergency Management to study and make recommendations regarding improvements to operations of office.

**Government Unit(s) Affected:**

Office of the Governor, Oregon Military Department (OMD), Counties

**Summary of Fiscal Impact:**

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

**Analysis:** The measure allows the Governor to establish economic recovery zones after termination of a state of Emergency, requires the Governor to identify geographic boundaries of zone, appoint director for zone, and appoint advisory board for zone. The measure also requires the director to:

- Appoint an incident command team to develop and manage recovery systems aligned with National Disaster Recovery Framework;
- Requires director to prepare and publish a report on actions taken, at least once every 60 days;
- Allows the director to exercise any powers Governor is authorized to exercise during a declared emergency.
- Allows director to require state agencies not to enforce rules or statutes regarding actions taken or projects carried out to further the purpose of the economic recovery zone.
- Requires local government approval of applications for the development or use of land for any action or project that is approved by the director under certain circumstances.
- Requires director to publish written justification of such approval within 30 days of approval.
- Requires economic recovery zone be terminated within 24 months of its establishment.
- Allows for one 24-month extension of zone.

There are 11 economic recovery zones and the Governor could appoint one director for each zone and the director, in turn, appoint an incident management team to develop and manage the economic recovery within the zone. The Governor’s Office anticipates that the directors will be drawn from current state employees at a Principal Executive G level and the incident management teams would be drawn from local resources. In addition, two Executive Support Specialist 2 would provide support to the advisory boards and recovery directors. The Governor’s Office estimates that if all 13 positions were filled the total cost would be \$5.5 million in 2021-23. It is not known, when or if, directors and associated staff may be appointed, and the Governor’s Office may need to return to the Legislative Assembly to request additional resources if resources within the Governor’s Office budget are not sufficient to cover this additional expense.

Cities and Counties indicate that the fiscal impact is indeterminate due to the broad powers granted to the economic directors and not knowing what actions they may take. For example, the directors could choose to suspend the collection of certain fees.

The overall fiscal impact of the measure is indeterminate due to not knowing when economic recovery directors may be appointed and what actions they may take.