

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 220

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Date: March 16, 2023

Measure Description:

Requires payment of additional 25 percent surcharge on certain assessments by State Department of Geology and Mineral Industries.

Government Unit(s) Affected:

Department of Geology and Mineral Industries

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 220 requires a person who pays an assessment to the Department of Geology and Mineral Industries (DOGAMI), except for payments under cost recovery or interagency agreements, to pay an additional amount equal to 25 percent of the assessment. This amount is to be credited to the Electronic Permitting System Development Subaccount which is established by this measure within the Geology and Mineral Industries Account. Moneys in the subaccount are continuously appropriated to the department for the development of a modern, online electronic permitting system to allow the department to manage customer relationships and electronically issue permits and receive applications and fees. DOGAMI may stop collecting or rebate payments after the completing development of the electronic permitting system. The assessment sunsets January 2, 2028, and the Subaccount sunsets June 30, 2031. Any balance in the Electronic Permitting System Development Subaccount that is not obligated by 2031 is to be transferred to the Mined Land Regulation and Reclamation Program Subaccount. If SB 221 passes, then funds will transfer to the Electronic Permitting System Subaccount instead. The measure takes effect January 1, 2024.

This measure is related to Policy Option Package 101 - ePermitting and IT Modernization, which is included in the 2023-25 Governor's Budget. The Policy Option Package would authorize General Fund be used for implementation of a new ePermitting system in the 2023-25 biennium. If this measure passes, the agency could instead use Other Funds garnered under this measure to develop the ePermitting system. However, given that this measure does not take effect until January 1, 2024, the agency would need to delay implementation of the ePermitting system until the 2027-29 biennium if Other Funds revenue is used instead of moneys from the General Fund, which would allow the agency to begin implementation of the ePermitting system in the 2023-25 biennium.

The assessment authorized under this measure is estimated to increase DOGAMI revenues by \$843,570 in the 2023-25 biennium, and \$1.1 million in the 2025-27 biennia. This is based on total assessments of \$4.4 million as of May 2022. Given the estimated implementation cost of \$2.5 million for the ePermitting system, implementation would likely need to occur in the 2027-29 biennium, once DOGAMI has sufficient revenues to pay for the system. However, cost estimates are preliminary and could change once DOGAMI selects a vendor to work with on the ePermitting system.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact on the DOGAMI budget.