

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 221**

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:

Establishes Electronic Permitting System Subaccount.

Government Unit(s) Affected:

Department of Geology and Mineral Industries

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

SB 221 permits the Department of Geology and Mineral Industries (DOGAMI) to collect a surcharge of 10.7% of every invoice generated by the agency's electronic permitting system. Moneys from the surcharge are transferred into the Electronic Permitting System Subaccount, which is created by this measure; moneys in the subaccount are continuously appropriated to the department for the maintenance of the online electronic permitting system that allows the department to electronically issue permits and receive applications and fees. DOGAMI may reduce the surcharge for the following biennium if they have sufficient revenue to cover the anticipated expenses of the Electronic Permitting System Subaccount during the next biennium, plus operational reserves. The measure takes effect January 1, 2024.

This measure is related to Policy Option Package 101 - ePermitting and IT Modernization in the 2023-25 Governor's Budget. This Policy Option Package would authorize General Fund be used for implementation of a new ePermitting system in the 2023-25 biennium. Once the system is operational in the 2025-27 biennium, the agency would collect the surcharge funds authorized by this measure for continued system maintenance.

DOGAMI anticipates that the 10.7% rate would be used initially and reassessed each biennium. This amount is based on a review of invoice revenues as of May 2022, and projected costs for system maintenance in the 2025-27 biennium, which includes vendor hosting and maintenance costs, and DOGAMI IT staff to provide system support. Initial estimated costs of system maintenance in the 2025-27 biennium are \$536,800; any expenditures associated with maintenance of the ePermitting system will need to be evaluated as part the 2025-27 budget development process.

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