

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SJR 34 - B

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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### Measure Description:

Proposes amendment to Oregon Constitution to establish Independent Public Service Compensation Commission.

### Government Unit(s) Affected:

Department of Justice, Bureau of Labor and Industries, Office of the Governor, Secretary of State, Legislative Assembly, Judicial Department, State Treasurer

### Summary of Fiscal Impact:

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

### Analysis:

SJR 34 - B refers for voters' approval an amendment to the Oregon Constitution which creates the Independent Public Service Compensation Commission. The commission is to determine the amounts of the salaries to be paid to certain public officials for the following biennium. This includes salaries for the Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries, certain judges, state Senators, state Representatives, and district attorneys. Upon the commission's adoption of its determinations, money sufficient to pay the salaries determined by the commission are deemed to be appropriated from the General Fund for the biennium in which the determinations are effective, notwithstanding section 4, Article IX of the Oregon Constitution, which states that no money shall be drawn from the treasury, but in pursuance of appropriations made by law.

Because the measure is referred to voters at the next regular general election, the fiscal impact to the Secretary of State's office is the state's portion of incremental costs incurred for an already-funded election. The Secretary of State prepares and distributes the voters' pamphlet and collects a filing fee for each argument submitted in support or opposition of a ballot measure. Typically, these filing fees cover slightly more than one-half of the cost of producing and mailing the voters' pamphlet. The remaining costs are paid by the General Fund. At this time, the fiscal impact to the Secretary of State's office is indeterminate because the cost of producing and distributing the voters' pamphlet is determined by the total number of initiatives and legislative referrals on the ballot, and by the number of arguments submitted in support or opposition of these ballot measures, and this information will not be known until after election filing deadlines. The Legislative Fiscal Office (LFO) assumes that the Secretary will seek General Fund support from the Emergency Board or Legislative Assembly if the actual voters' pamphlet costs exceed currently budgeted election expenditures.

Under procedures established in ORS 250.125 and 250.127, a financial impact committee is created for each state measure submitted to the ballot through the initiative and referendum processes. For this reason, LFO does not include an estimate of the fiscal impact that would result if this joint resolution were to be adopted by a vote of the people.

Additionally, a noteworthy consideration is the impact the measure could have on the state budget process with respect to the provision that deems an amount sufficient to support the Commission's determinations on public official salaries be appropriated from the General Fund each biennium. If such appropriations are automatically

authorized by the Constitution as opposed to being appropriated in a budget or other statutory measure, changes to existing processes will likely be needed to ensure the appropriations and related expenditures are properly tracked commensurate with the statutory appropriations approved by the Legislature to ensure the state maintains a balanced budget.