

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
79th Oregon Legislative Assembly  
2018 Regular Session  
Legislative Revenue Office**

<b>Bill Number:</b>	<b>SB 1566 - B</b>
<b>Revenue Area:</b>	<b>State Finance</b>
<b>Economist:</b>	<b>Chris Allanach</b>
<b>Date:</b>	<b>3-2-2018</b>

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

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**The revenue impact of this measure is indeterminate for the following reasons:**

The measure includes four revenue streams and directs collections to the School Districts Unfunded Liability Fund (SDULF) created in the bill. For three of these revenue streams (proceeds from debt collection, capital gains taxes, and estate taxes) the deposits are amounts that exceed historical averages. The fourth source of revenue is tied to interest earned on unclaimed property held by the Department of State Lands. Analysis of historical data suggests that annual contributions, subject to specified limitations, vary widely and can range from \$0 to several million dollars. Due to this variation the revenue impact is deemed to be indeterminate. Additional detail on each source is provided below.

For revenue from debt collection, potential deposits are a function of collections exceeding an historical average and depend on other program triggers. Potential deposits into the SDULF account would be driven by factors that would cause collections to exceed the historical average. A simulation of historical data show that such deposits may range from \$0 to \$7 million in any given biennium.

For the capital gains revenue, if future collections exceed an historical average growth, then 25% of that excess may be deposited in the SDULF, depending on other program triggers. Under the current revenue forecast, these collections are not projected to exceed the historical average growth. However, historical simulations show that occasionally collections have exceeded the average. Using that history as a guide, the amount that could be deposited may range from \$0 to \$60 million in any given biennium.

For the estate tax revenue, if future collections exceed an historical average growth, that excess may be deposited in the SDULF, depending on other program triggers. Under the current revenue forecast, these collections are not projected to exceed the historical average. However, historical simulations show that, on occasion, collections have exceeded the average. Using that history as a guide, the amount that could be deposited may range from \$0 to \$90 million in any given biennium.

The fourth source of revenue is interest on unclaimed property. The amount that may be transferred is the interest earned in the prior calendar year subject to certain limitations. The amount may not exceed the proceeds from unclaimed property reduced by amounts paid for claims, investment expenses, and operating expenses. Data from the Department of State Lands indicates that had the law been in place in prior years, annual contributions may have ranged from \$0 to \$38 million.

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