

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number: HJR 13-A
Revenue Area: School Finance
Economist: Meyer
Date: 4/16/07

Measure Description:

Revises the Oregon constitution subject to voter approval. Allows the State to issue general obligation bonds up to 0.5% of the market value of real property. Requires that bond proceeds be used to match school district general obligation bonds approved by voters for capital costs. Provides for repayment of state bonds from (1) General Fund appropriations, (2) appropriations or allocations from other funds or (3) other available moneys. Prohibits use of property taxes for the repayment of state bonds.

Creates a school capital matching fund. Repeals the school capital matching subaccount in the Education Stability Fund. Transfers any subaccount ending balance to the new fund. Directs 15% of net lottery proceeds to the new fund when the Education Stability Fund is capped out. Requires new fund to be used to provide matching funds to school districts for capital costs and to repay state bonds issued for capital matching grants. Defines capital costs as costs associated with the acquisition, construction, improvement, remodeling, maintenance or repair of preK-12 public school buildings.

Submits revision resolution to the voters at the May 2008 primary election.

Revenue Impact:

	2007-09 Biennium	2009-11 Biennium
School Capital Matching Fund (created)	Up to about \$2 billion in bonding authority	
School Capital Matching Subaccount (repealed)	0	
School Districts	Capital matching funds	

Impact Explanation:

If voters approval the measure, the state could potentially issue up to about \$2 billion in bonds subject to the availability of sources to meet the repayment schedule. If funds are in the capital matching subaccount when repealed, the balance will be transferred to the new capital matching fund.

School district revenue depends on voter approval of school bonds and the availability of matching state funds. Matching funds may reduce the amount of school bonds submitted for voter approval.

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