

# REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly  
2007 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>SB 817-A</b>
<b>Revenue Area:</b>	<b>State Finance</b>
<b>Economist:</b>	<b>Warner</b>
<b>Date:</b>	<b>6-12-07</b>

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## Measure Description:

Redirects interest earnings that are not dedicated to Other Fund accounts to Rainy Day Fund account starting with the 2009-11 biennium. Under current law these earnings are deposited in the General Fund.

## Revenue Impact:

(in millions)	2007-09	2009-11	2011-13
<b>General Fund</b>			
<b>Non-Dedicated Interest Earnings</b>	<b>0</b>	<b>-\$67</b>	<b>-\$67</b>
<b>Rainy Day Fund</b>	<b>0</b>	<b>+\$67</b>	<b>+\$67</b>

## Impact Explanation:

Revenue impact based on May 2007 revenue forecast. Forecast is very sensitive to accuracy of overall General Fund revenue projection. If General Fund revenue falls below projections, interest earnings tend to fall below estimates as well because balances are lower. The opposite occurs when revenue exceeds projections. In recent biennia, General Fund interest earnings have varied between \$21.4 million in the recession dominated 2001-03 biennium to an estimated \$109.2 million in the current biennium marked by a large overall under-estimate of General Fund revenue.

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