

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 949
Revenue Area:	Lottery Bonds
Economist:	Mazen Malik
Date:	05/03/2007

Measure Description:

Authorizes the issuance of lottery bonds for grants to fund feasibility studies regarding the development necessary to construct cellulosic ethanol demonstration plants. The Department of Energy will provide grants and loans to firms that apply to undertake feasibility studies regarding development necessary to construct cellulosic ethanol demonstration plants.

Revenue Impact:

\$ Millions	2007-09 Biennium	2009-11 Biennium	2011-13 Biennium
Bond proceeds	\$2.00	0	0
Debt Reserves	\$0.27		
Debt service Payments	(\$0.22)	(\$0.44)	(\$0.44)

Impact Explanation:

Senate Bill 949 allows the State Treasurer, at the request of the Department of Energy, to issue lottery bonds, not to exceed \$2 million, to provide financial assistance and loans for feasibility studies to qualifying applicants. Proceeds of the lottery bonds issued will be deposited in the Cellulosic Ethanol Demonstration Plant Project Fund. Entities that apply for loans will pay an application fee, firms will be required to pay back loans, unless they were released from the obligation by the director of the Department of Energy.

If the bill becomes law, the state treasurer is most likely to bundle this amount with other small issuances to reach a small size bonding-package. The package of \$50 million or so will likely not be tax exempt, but will carry regular interest for 20 years. The issuance will be towards the middle of next biennium, which will produce only one payment in 2007-09.

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