

74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE

MEASURE: SB 817-A
CARRIER: Sen. Deckert

REVENUE: Revenue Impact Issued

FISCAL: No fiscal impact

Action: Do Pass with amendments and be printed engrossed

Vote: 5-0-0

Yeas: Burdick, G. George, Monroe, Starr, Deckert

Nays:

Exc.:

Prepared By: Paul Warner, Economist

Meeting Dates: 6/13

WHAT THE BILL DOES: Redirects interest earnings that are not statutorily dedicated to Other Fund accounts to the Rainy Day Fund Account beginning with the 2009-11 biennium. Under current law, these interest earnings are deposited into the General Fund. Deletes requirement that Department of Administrative Services calculate interest on Rainy Day Fund account separately.

ISSUES DISCUSSED:

- Volatility of interest earnings.
- Mechanics of how Treasury would manage deposits.
- Logic of removing interest earnings from General Fund revenue.

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill.

BACKGROUND: Interest earnings tend to rise rapidly when General Fund revenue growth exceeds the forecast because balances are large. This means that in biennia in which revenue grows rapidly, interest earnings tend to grow rapidly as well. The opposite occurs when the revenue falls below expectations and balances are correspondingly lower.

6/20/2007 8:46:37 AM

This summary has not been adopted or officially endorsed by action of the committee.