## 2007 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

Frepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2625 STATUS: A-Engrossed

**SUBJECT:** Authorizes issuance of lottery bonds for fuel cell system grants

**GOVERNMENT UNIT AFFECTED:** Department of Energy and Office of the State Treasurer

**PREPARED BY:** Dawn Farr

**REVIEWED BY:** Michelle Deister, Dallas Weyand and Robin LaMonte

**DATE:** March 14, 2007

**EXPENDITURES:** See Comments.

<u>2007-2009</u> <u>2009-2011</u> REVENUES:

Other Funds: Lottery Bonds Proceeds \$ 985,000 \$ 985,000

**EFFECTIVE DATE:** On Passage.

**GOVERNOR'S BUDGET:** This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The bill authorizes the issuance of \$985,000 in lottery bonds at the request of the Director of the State Department of Energy (DOE). Lottery bond funds are to be deposited into the Power Fuel Cell Pilot Program Account, which continuously appropriated money to DOE for the purpose of providing grants to agencies in the executive department and private companies headquartered in Oregon to assist in the purchase of fuel cell systems. The bill would sunset on January 2, 2010.

The DOE indicates that the activities associated with this bill would have a minimal fiscal impact on the department. The pilot program would be designed using templates from existing grant programs, and the intention of the department is to make the process as simple as possible for applicants. The department anticipates processing approximately 30-50 grants, which is approximately a 10% increase in workload. The department indicates that this additional work-load can be assumed with existing resources without compromising document processing turn-around targets for other grants activities. The costs associated with the debt service on the bonds is not available at this time.

The Office of the State Treasurer indicates that the costs for issuing lottery bonds typically range between 1.1 and 1.5 percent of the issuances. The department typically bundles bond issuance activities, and then prorates issuance costs among participating agencies. The bill has no direct fiscal impact on the department as establishing accounts and coordinating bond issuance activities is "business as usual" for the office.

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Energy and the Environment to the House Committee on Revenue. A detailed fiscal impact statement will be issued for the measure when it is considered by the House Revenue Committee.