

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
75th Oregon Legislative Assembly  
2009 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>HB 5042-A</b>
<b>Revenue Area:</b>	Debt and Bonding
<b>Economist:</b>	Mazen Malik
<b>Date:</b>	02/18/2009

**Measure Description:**

Establishes authority for the Department of Administrative Services to issue Lottery Revenue Bonds in the amounts of \$36,903,000 in the 2007-09 biennium.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2007-08	2008-09	2007-09	2009-2011	2011-2013
<b>Bond Proceeds</b>	<b>0</b>	<b>\$36.903</b>	<b>\$36.903</b>	<b>\$0</b>	<b>\$0</b>
<b>State Lottery Funds*</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6.18)</b>	<b>(6.18)</b>
<b>Reserve fund investment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.10</b>	<b>6.18</b>
<b>Total</b>	<b>0</b>	<b>\$36.903</b>	<b>\$36.903</b>	<b>\$(0.08)</b>	<b>\$0</b>

\* Debt service payments principal and interest

**Impact Explanation:**

The Department of Administrative Services is given the additional authority of \$36,903,000 for issuing lottery-backed revenue bonds. This additional authority brings the total lottery bonds in the 2007-09 biennium to \$571,743,000, and the issuance is expected to take place in March. These additional proceeds are meant to fund a reserve account, which will be invested and it will gain interest for the whole period of the bond repayment horizon. The balance in the account will be used to pay the final installment on the bonds in 20 years. The bonds are estimated to hold a 5.6% rate, and the reserve fund investment is expected to earn around the same amount.

**Creates, Extends, or Expands Tax Expenditure:**      Yes  No