

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

Bill Number:	HJR 13A
Revenue Area:	School Finance
Economist:	Steve Meyer
Date:	4/14/09

Measure Description:

Revises the Oregon constitution subject to voter approval. Exempts taxing districts from Measures 5 and 50 bond limitations if bonds incurred after January 1, 2011 to finance capital costs. Defines capital costs and limits life of bonds. Allows the State to issue general obligation bonds up to 0.5% of the market value of real property. Requires that bond proceeds be used to match school district general obligation bonds approved by voters for capital costs. Provides for repayment of state bonds from (1) General Fund appropriations, (2) appropriations or allocations from other funds or (3) other available moneys. Prohibits use of property taxes for the repayment of these state bonds.

Creates a school capital matching fund. Repeals the school capital matching subaccount in the Education Stability Fund. Transfers any subaccount ending balance to the new fund. Directs 15% of net lottery proceeds to the new fund when the Education Stability Fund is capped out. Requires new fund to be used to provide matching grants to school districts for capital costs and to repay state bonds issued for capital matching grants. Defines capital costs as costs of land and other assets with a useful life of more than one year including construction, remodeling, furnishing, maintenance or repair.

Submits revision resolution to the voters at the May 2010 primary election.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
School Capital Matching Fund (created)	\$	\$	Up to about \$ 2,500.0		
School Capital Matching Subaccount (repealed)	\$	\$	\$ Balance Transferred	\$ 0	\$ 0
School Districts	\$	\$	Capital matching funds		

Impact Explanation:

If voters approval the measure, the state could potentially issue up to about \$2.5 billion in bonds subject to the availability of funding sources to meet the repayment schedule. If funds are in the capital matching subaccount when repealed, the balance will be transferred to the new capital matching fund.

School district revenue depends on voter approval of school bonds and the availability of matching state funds. Matching funds may reduce the amount of school bonds submitted for voter approval.

Creates, Extends or Expands Tax Expenditure: Yes No

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