

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

Bill Number: SB 5505-A
Revenue Area: Bonds
Economist: Mazen Malik
Date: 06/24/09

Measure Description:

Establishes amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium. Establishes amounts allocated for private activity bonds.

Revenue Impact:

		2009-11	2011-13	2013-15
General Fund Obligation				
COPs	Total Issuance	764,780,000		
	Debt service	(39,652,869)	(162,643,954)	(162,100,000)
XI-G Education	Total Issuance	208,133,479		
	Debt service	(3,980,000)	(31,711,161)	(31,711,161)
XI-M/N Seismic	Total Issuance	30,000,000		
	Debt service	(1,236,337)	(4,570,792)	(4,570,792)
XI-H Pollution Control	Total Issuance	10,000,000		
	Debt service		(1,523,597)	(1,523,597)
All GF Bonds Cost of Issuance		(20,356,558)		
Total General Fund		947,687,715	(200,449,504)	(199,905,550)
Dedicated Fund Obligations				
XI-I (1) Water Res	Total Issuance	10,153,033	15,229,550	
	Debt service	(982,845)	(3,610,921)	(4,307,873)
XI-A Veterans Affairs	Total Issuance	150,000,000		
	Debt service	(5,713,490)	(11,426,980)	(22,853,960)
XI-F Higher Education	Total Issuance	244,200,622	244,200,622	
	Debt service		(37,206,340)	(74,412,680)
XI-I (2) Housing &Community Svcs	Total Issuance	100,000,000		
	Debt service	(3,808,993)	(7,617,986)	(15,235,973)
XI-J Energy	Total Issuance	250,000,000		
	Debt service	(9,522,483)	(19,044,966)	(38,089,933)
Other funds GO Bonds Cost of Issuance		(12,751,166)	(3,966,634)	
Total Dedicated Fund		721,574,678	176,556,346	(154,900,419)

Revenue Bonds				
Housing Rev Bonds	Total Issuance	600,000,000		
	Debt service	(45,707,920)	(91,415,840)	(91,415,840)
ODOT Infrastructure	Total Issuance	20,000,000		
	Debt service	(761,799)	(4,570,792)	(9,141,584)
ODOT Highway User Tax	Total Issuance	798,514,000		
	Debt service	(60,830,690)	(121,661,380)	(121,661,380)
OECDD Infrastructure	Total Issuance	100,000,000	100,000,000	
	Debt service	(3,808,993)	(11,426,980)	(22,853,959)
Lottery Bonds	Total Issuance	274,300,000		
	Debt service	(17,545,471)	(49,912,658)	(49,900,000)
All Revenue Bonds	Cost of Issuance	(35,912,220)	(3,477,322)	
Total Revenue Bonds		1,628,246,907	(182,464,972)	(294,972,763)

Impact Explanation:

The bonds shown in the table above are the authorizations for state programs. The capital construction bill where much of the proceeds of these bonds are expended are included in SB 5506. The COP are meant for a much shorter maturity (5 years), while most of the other bonds are assumed to mature in 20 to 30 years. The total Issuance number includes the issuance costs and any reserves. When bonds are sold towards the middle or end of the biennium their debt service might not begin until very late in the biennium and many times in the biennium after they were issued. Lottery Bonds are assumed for 20 years, mostly tax-exempt with a rate 6.5%, (8.5% taxable). COPs 5 years and longer, rates vary based on maturity (e.g. 4.9% at 5 years, 6.5% at 20, 6.8% at 30 - approx. 2% higher for taxable). XI-G, XI-F 30 years, 6.5%, also assumed for XI-J, ODOT, XI-H. XI-I (1) Water - assumed half tax-exempt (6.5% 30 years) and half taxable (8.5%, 30 years). SDPAC uses 15% GF-support on XI-J.

Other bonds that don't get paid out of the state revenue stream are not included in the table above, however, they are included in the bond bill. These include Pass through (conduit) bonds for \$1.6 billion, with \$950 million going to the Oregon Facilities Authority, and \$400 million to OECDD, and \$250 million to the Housing and Community Services. Additionally, Private Activity Bonds are allowed to several agencies up to the total of \$337 million in the year 2010, and the same amount for the year 2011.

Creates, Extends, or Expands Tax Expenditure: Yes No