

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2107
CARRIER: CONSENT**

REVENUE: No revenue Impact

FISCAL: Fiscal statement issued

Action: DO PASS AND BE PLACED ON THE CONSENT CALENDAR

Vote: 9-0-1

Yeas: Bailey, Bentz, Berger, Bruun, Kahl, Read, Riley, Sprenger, Barnhart

Nays: 0

Exc.: Gelser

Prepared By: **Mazen Malik**, Economist

Meeting Dates: 02/04, 02/10, 2/12

WHAT THE BILL DOES: Modifies maximum limit on amount of bonded indebtedness counties may incur for road improvements in unincorporated areas. Eliminates provision authorizing domestic water supply districts to borrow money without voter approval. Authorizes public body borrowers to use bond proceeds to pay termination payments for agreements to exchange interest rates. Authorizes state borrowers and public body borrowers to lend bond proceeds to borrower of moneys from outstanding conduit revenue bonds for payment of termination payments for agreements for exchange of interest rates. Makes other substantive changes and technical fixes related to revision of bond statutes in 2007 Act. Becomes effective on passage.

ISSUES DISCUSSED:

- Clarifying and Conforming the statutes
- Who will be impacted
- Conduit bond

EFFECT OF COMMITTEE AMENDMENTS: No Amendments

BACKGROUND:

Current law allows for a water district to bond without the approval of the electorate if the value of the bonds does not exceed one-half of one percent of the total Real Market Value of the property in the district. This measure takes out this allowance.

The measure allows bond proceeds to be used for repayment when conducting an interest rate swap.

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