

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 2216

**STATUS:** A Engrossed

**SUBJECT:** Allows sale of lottery revenue bonds and establishment of several funds.

**GOVERNMENT UNIT AFFECTED:** Department of Forestry, State Treasurer, Department of State Lands, and Department of Administrative Services

**PREPARED BY:** John Terpening

**REVIEWED BY:** Susie Jordan, Steve Bender, and Laurie Byerly

**DATE:** May 4, 2009

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	<u>2009-2011</u>	<u>2011-2013</u>
<b>EXPENDITURES:</b>		
See Analysis		

**EFFECTIVE DATE:** On Passage

**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.

**ANALYSIS:** This measure updates the Board of Forestry's land acquisition authority and establishes several funds, including: the Forest Development Revenue Bond Fund, State Forest Acquisition Fund, the Forest Acquisition County Reimbursement Fund, and renames an existing fund the State Forestry General Obligation Bond Fund. Each fund is separate and distinct from the General Fund and interest earned is credited back to the respective fund.

The money in the Forest Development Revenue Bond Fund is continuously appropriated to the State Board of Forestry and is designated for payment of costs related to revenue bonds issued. The measure stipulates that the Fund may be credited with proceeds from the sale of revenue bonds, the disposal of lands acquired with revenue bonds, or the disposal of forest products from land acquired with revenue bonds, as well as gifts, grants, or other unrestricted moneys to be used for payment of bond-related costs.

The money in the State Forest Acquisition Fund is continuously appropriated to the State Board of Forestry and is designated for the acquisition of parcels in the Gilchrist area of Klamath County for state forestland use. The measure allows for the issuance of lottery bonds for the acquisition of land in the Gilchrist area of Klamath County for state forestland. The measure does not establish the amount or terms of the lottery bonds.

The money in the Forest Acquisition County Reimbursement Fund is continuously appropriated to the State Forestry Department and is designated for reimbursement to counties for lost tax revenue from land acquired by the Department using bond proceeds.

The money in the State Forestry General Obligation Bond Fund is continuously appropriated to the State Forestry Department and is designated for payment of bond-related costs to general obligation bonds issued under Article XI-E of the Oregon Constitution. The Department of Forestry states that at this time they do not intend to issue general obligation bonds.

At this time, the Legislative Fiscal Office (LFO) believes that the fiscal and budgetary ramifications of this measure are not fully understood. The purpose of this fiscal impact is to outline the broad fiscal implications of this measure and to note that a more detailed analysis is required to understand the measure's budgetary implications.