MEASURE NUMBER:SB 334STATUS: A EngrossedSUBJECT:Article XI-D bonds for acquisition and operation of renewable energy facilitiesGOVERNMENT UNIT AFFECTED:Department of Energy and Department of AdministrativeServicesPREPARED BY:Dawn FarrREVIEWED BY:Michelle DeisterDATE:April 15, 2009

EXPENDITURES:

See Comments.

<u>2009-2011</u> 2

2011-2013

REVENUES:

See Comments.

EFFECTIVE DATE: January 1, 2010

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.

COMMENTS: The bill authorizes the State Treasurer to issue Article XI-D bonds at the request of the Department of Energy (DOE); requires that the amount of Article XI-D bonds not exceed the limit on bond issuance established for the particular biennium; establishes the Article XI-D Bond Fund and appropriates the funds to the Department of Administrative Services (DAS) for the purposes of paying the principal of, interest on, and the premium of any outstanding Article XI-D bonds; establishes the Article XI-D Bond Administration Fund and appropriates the funds to DAS for the purpose of paying bond related costs; and establishes the Renewable Energy Fund and appropriates the funds to the DOE for state power development.

The fiscal impact associated with the bill is indeterminate as the amount and timing of bond issuances is not known at this time. The bill would allow the DOE to issue bonds for purposes specified in Article XI-D of the Oregon Constitution which relates to state power development. DOE indicates that they do not have any projects planned at this time. The Department anticipates that all projects would need to be presented to the legislature for review as the bill stipulates that future bonding requests are subject to the bond issuance limited established each biennium. Bond issuance expenditures include the bonded amount, issuance costs, and debt service charges. Further, if the bonds issued were not self-sustaining, which may be allowable under Article XI-D of the Constitution, the General Fund would be obligated in the repayment of these funds.

If a project were to be initiated, DAS anticipates having some participation; however, the timing and requirements on DAS are not known at this time.