

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

Bill Number: HB 2020-A
Revenue Area: Lottery Bonds
Economist: Mazen Malik
Date: 4/27/09

Measure Description:

Establishes Invasive Species Control Account (Account). Authorizes the Invasive Species Council (Council) to spend money from Account to provide funding for efforts by agencies, organizations and individuals to eradicate or control new infestations and infections of invasive species. Authorizes State Treasurer to issue lottery bonds at Council's request in the amount of \$10 million and limits Council's expenditures to \$5 million. Declares an emergency; effective on passage.

Revenue Impact (in \$Millions):

	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium
Lottery Bonds			
Proceeds	\$ 10.00		-
Debt Reserves	\$ 1.22		
Costs	\$ 0.26		
Gross Revenue (Par bond value)	\$ 11.48		
Debt service Payments (Lottery)	(\$1.19)	(\$2.38)	(\$2.39)
Cost of Issuance	(\$0.26)		
Total Net Revenue	\$ 10.03	(\$2.38)	(\$2.39)

Impact Explanation:

House Bill 2020A would establish a fund to support rapid response and eradication efforts. The cost of issuance and reserves are added to the bond value and figured into the payments. Uses of lottery funds are constitutionally restricted, however, this use is assumed to be allowable as economic development or watershed preservation and parks use. The lottery revenue bonds are subject to a debt capacity recommendation by the Debt Policy Advisory Commission. The more bonds backed by lottery the faster the coverage ratio starts reaching the ceiling at which concern and interest rates might be affected.

The fund does not build capital projects nor spend the money all in the same time, thus the 20-year bonds are assumed to be taxable with a higher interest rate.

Creates, Extends, or Expands Tax Expenditure: Yes No

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