

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

Bill Number: HB 3199
Area: Debt and Bonding
Economist: Mazen Malik
Date: 5/17/2009 Revised

Measure Description:

Establishes additional amount authorized for issuance of general obligation bonds for energy conservation measures for public buildings and buildings owned by federally recognized Indian tribes in Oregon. Sets additional amount at \$50 million. Declares emergency, effective July 1, 2009.

Revenue Impact:

In Millions	2009-11	2011-13	2013-15	2015-17
Bond proceeds	\$ 50.00			
Debt Reserves	\$ 5.12			
Cost of Issuance	\$ 1.28			
Gross revenue	\$ 56.40			
Debt service Payments	(\$5.99)	(\$10.23)	(\$10.23)	(\$10.23)
costs	\$ (1.28)			
Total	\$ 49.13	(\$10.23)	(\$10.23)	(\$10.23)

Impact Explanation:

The STATE DEBT POLICY ADVISORY COMMISSION (SDPAC) suggests a debt limit for the different state bond programs. Based on planned bond sales and the current GF revenue forecast, the State has additional general fund-supported debt capacity of \$3.4 billion through FY 2015, or \$1.126 billion per biennium. The suggested amounts of bonding and debt will go against the state-bonding limit.

The SDPAC recommends that, "Given the current economic uncertainty, the Legislature should closely examine both existing and new bonding proposals requiring GF or Lottery revenues for repayment, with priority given to ready-to-go projects that maximize job creation in the short-run and Oregon's economic prospects in the long-run".

The bond sales are assumed tax exempt, and to be in two installments of \$25 million each, 10/1/2009, and 5/1/2010.

Creates, Extends, or Expands Tax Expenditure: Yes No

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