

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

Bill Number:	HB 3369-A
Revenue Area:	Lottery Bonds
Economist:	Mazen Malik
Date:	05/07/09

Measure Description:

Authorizes State Treasurer, with concurrence of Director of Department of Administrative Services, to issue XI-I (1) bonds for funding water development projects. Specifies the amount of bonds and the letting dates for the four different year sales, the. The first on is \$15 million, then each of the three others are 50 million each. Establishes Water Resources Investment Fund. Establishes Water Resources Grant Fund. Authorizes issuance of lottery bonds in amount not to exceed net proceeds of \$10 million; one-half of proceeds to be deposited in Water Resources Investment Fund, one-half of proceeds to be deposited in Water Resources Grant Fund. It also authorizes additional \$5 million of lottery bonds for funding integrated strategy for the state water resources.

Revenue Impact (in \$Millions):

	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium
Proceeds XI-I (1) Bonds	\$ 25.0	\$ 50.0	\$ 50.0
Proceeds Lottery Bonds	\$ 15.0		-
Debt Reserves	\$ 1.64		
Costs	\$ 0.797	\$ 0.61	\$ 0.61
Gross Revenue (Par bond value)	\$ 42.44		
Debt service Payments	(\$4.29)	(\$16.11)	(\$23.43)
Cost of Issuance	(\$0.797)	(\$0.61)	(\$0.61)
Total Net Revenue	\$ 37.35	\$ 33.89	\$ 26.58

Impact Explanation:

DAS will issue \$10 million lottery bonds to fund the Water Resources Investment Fund and the Water Resources Grant Fund, and \$5 million to fund an integrated strategy for implementing the state water resources policy.

DAS will issue \$25 million in Article XI-I (1) bonds in 2009-11 and \$50 million in the three biennia thereafter. XI-I (1) Bonds: \$25.4 million issued May 2010; \$50.6 million per biennium issued in July 2011 and July 2013 (50% taxable). 50% of bonds issued will be taxable ("private activity" uses or for administrative purposes)

\$17.01 million Lottery bonds issued in May 2010 (two-thirds taxable). 100% of the \$5 million for developing an integrated water strategy and policy are taxable.

Creates, Extends, or Expands Tax Expenditure: Yes No