

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass with Amendments to the A-Eng. Measure and Be Referred to the Committee on Ways and Means (Printed B-Eng.)
Vote:	3 - 2 - 0
Yeas:	Burdick, Metsger, Devlin
Nays:	Atkinson, Ferrioli
Exc.:	-
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	2/15, 2/18

WHAT THE MEASURE DOES: Proposes amendment to Oregon Constitution to create Article XI-P that would allow the State of Oregon to incur general obligation indebtedness to finance or refinance costs associated with real or personal property that is, or will be, owned or operated by state. Permits state to incur indebtedness to finance costs of (a) acquiring, constructing, remodeling, repairing, equipping, or furnishing real or personal property that is, or will be, owned or operated by the state including facilities and systems, (b) infrastructure related to real or personal property, or (c) indebtedness incurred pursuant to Oregon Constitution Section 7, Article XI. Refers proposed amendment to people for approval or rejection at next regular general election.

ISSUES DISCUSSED:

- Inclusion of community colleges
- Limitation on employment to teaching
- Content of amendment

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

BACKGROUND: Section 7, Article XI of the Oregon Constitution prohibits the state from incurring debt, except under specified circumstances. Senate Joint Resolution 48B authorizes the creation of bonded indebtedness notwithstanding those limitations.

General obligation bonds are the most inexpensive form of debt and permit the state to save on interest costs. The Article XI-P bonds would not be backed by property tax but would be backed by the full faith and credit of the state and its taxing authority. Additionally, the total bond principal under the proposed section is limited to one-one hundredth of the real market value of the property in the state.