

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2166 - A**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
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Date: March 10, 2011**Measure Description:**

Authorizes issuance of lottery bonds for transportation projects funded from Multimodal Transportation Fund.

Government Unit(s) Affected:

Oregon State Lottery, Oregon Department of Transportation (ODOT)

Summary of Expenditure Impact

	2011-13 Biennium	2013-15 Biennium
Lottery Funds		7,477,493
Other Funds	10,898,212	30,088,600
Total Funds	\$10,898,212	\$37,566,093
Positions		
FTE		

Summary of Revenue Impact

	2011-13 Biennium	2013-15 Biennium
Lottery Funds		7,477,493
Other Funds	40,503,912	
Total Funds	\$40,503,912	\$7,477,493

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.

Analysis:

HB 2166 A authorizes the issuance of \$40 million in bond proceeds, plus the cost of issuance, to finance transportation projects. The bill is effective July 1, 2011. This is a continuation of the ConnectOregon program that has been funded with revenue bond sales in two prior biennia. Debt service on these bonds is paid out of Lottery Funds revenue. Bond Proceeds are deposited in the Multimodal Transportation Fund. Revenues from this Fund are used to improve and expand the network of rail, air, public transit, and marine transportation.

The Other Funds cost of the bond program includes rulemaking, program management and oversight at \$88,600 per biennium. In 2011-13, that cost would be approximately \$44,000. Project selection would cost about \$350,000, and bond issuance would cost \$503,912.

ODOT has estimated that, due to cash flow requirements of the ConnectOregon program, the \$40 million bond sale for this program will not be required until spring 2013, and approximately \$10 million in bond proceeds will be used to finance projects in the 2011-13 biennium. The balance will be expended

in 2013-15. As a result of the sale late in the 2011-13 biennium, Lottery Funds debt service of \$7,477,493 will not be due until the 2013-15 biennium. No estimate is currently available of the number of projects that would be financed from these funds.