

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
Seventy-Sixth Oregon Legislative  
Assembly 2011 Regular Session  
Legislative Revenue Office

Bill Number: SB 19 - B  
Revenue Area: Debt and Bonding  
Economist: Mazen Malik  
Date: 3/22/2011

**Measure Description:**

Authorizes State Treasurer to issue Article XI-Q bonds and creates the accounts and mechanism for the movement of money. Amends the current biennial budget authorization for bond issuance, from COP's to XI-Q bonds, to finance costs associated with projects owned or operated by State of Oregon.

**Revenue Impact:**

	2011-13	2013-15	2015-17
Interest savings (GF)	\$1,395,286	\$1,395,286	\$1,395,286

**Impact Explanation:**

The bill authorizes the department of Administrative Services (DAS) to use \$343,320,000 bonding authority in XI-Q bonds. These new bonds (approved by voters) will supplant the Certificate of Participation (COP's) authorized for the 2009-11 biennium. This bond sale is expected to conclude in the spring of 2011. The revenue impact is reflective of the savings in debt service payments resulting from lower net interest costs (30 basis points) expected as a result of the improved interest conditions of the XI-Q bonds. The \$3 million replacing the XI-G bonds will not result in improved interest rates conditions, thus will not result in significant savings. There might be additional replacements of ODOT revenue bonds, but those will not likely result in drastic savings after considering the costs of the reserves resulting in net interest costs that are close to the starting point. The bill also takes away authorization from other types of bonds in order to stay under the bond limit recommended by the State Debt Policy Advisory Commission.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No