

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
Seventy-Sixth Oregon Legislative  
Assembly  
2012 Regular Session  
Legislative Revenue Office**

**Bill Number: SB 1544 - BMR  
Revenue Area: Lottery Bonds  
Economist: Mazen Malik  
Date: Feb-20-2012**

**Measure Description:**

Exempts City of Redmond from statewide land use planning goal related to transportation planning and administrative rules that implement goal with respect to development of Southeast Redmond Employment Site. Increases amount of lottery bonds issued to finance grants and loans for transportation projects by \$10 million. Increases a second \$10 million in bond proceeds for water or sewer infrastructure projects, and Increases a third \$10 million for community colleges construction projects for the same period.

**Revenue Impact (in \$Millions):**

	11-13 BN	13-15 BN	15-17 BN	17-19 BN
Bond proceeds	33.31			
costs and reserves	(3.31)			
debt service payments		(5.59)	(5.59)	(5.59)
<b>Net Proceeds</b>	<b>30.00</b>	<b>(5.59)</b>	<b>(5.59)</b>	<b>(5.59)</b>

**Impact Explanation:**

The Legislative Assembly created the *Connect-Oregon* program in 2005 to provide funding in the form of grants and loans for non-highway transportation projects, including aviation, marine, passenger and freight rail and public transportation projects. The initial program provided \$100 million in lottery-backed bonds. It was followed by an additional \$100 million in 2007 and 2009. The Legislative Assembly approved \$40 million for *Connect-Oregon IV* in 2011. This measure authorizes an additional \$10 million in lottery bonds to be awarded to qualified applicants for *Connect-Oregon IV* projects. Additional \$10 million in bond proceeds for infrastructure projects of water and sewer. The last \$10 million in bond proceeds are directed to community colleges in amounts specified in the amended bill.

The exact timing and amount of bonds issued will depend on project expenditures and cash needs. However, the bond sale is expected to occur in late Spring of 2013 with debt service payments (for 15 years) commencing in the 2013-15 biennium. The par-amount is required to yield an additional \$30 million in net proceeds includes one year of debt service to be held as reserves which are part of total bond issue, which leaves total bond sale at \$33,312,414. This includes issuance cost and reserves. Debt service anticipated during the 2013-15 biennium would be about \$5,586,828. Actual costs and debt service payments may be higher or lower depending on the structuring of the bonds and the interest rate at the time of issuance. The bonds are assumed to be paid for in 15 years.

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

State Capitol Building  
900 Court St NE, Room 143  
Salem, Oregon 97301-1347

Phone (503) 986-1266  
Fax (503) 986-1770  
<http://www.leg.state.or.us/comm/lro/>