

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Seventh Oregon Legislative
Assembly
2013 Regular Session
Legislative Revenue Office

Bill Number: HB 2140
Revenue Area: Local Gov. Finance
Economist: Christine Broniak
Date: 4/23/2013

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Authorizes discrete investment of funds of political subdivisions in any commingled investment pool established by State Treasurer for investment of funds of state agencies or local governments.

Revenue Impact (in \$Millions): Indeterminate

Impact Explanation: Local government sinking funds, bond funds, and surplus funds are currently authorized to be invested in a number of vehicles. Only local government funds not authorized for discrete investment may be invested in the Oregon Short Term Fund. The measure would extend the opportunity for funds to be invested in any fund managed by the State Treasurer, including the Short Term Fund and the Intermediate Term Fund. While it may create the opportunity for higher yields, the amount of local funds to be invested into the new funds is not known. It is also unknown how much these investments will yield relative to current investments. In the period ending September 30, 2011, the rate of return of the Short Term Fund was 0.11%. The Oregon Intermediate Term Pool, which is also managed by the State Treasurer, had a rate of return of 1.96% in the same period.

Creates, Extends, or Expands Tax Expenditure: Yes No