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# MEMORANDUM

Legislative Fiscal Office  
900 Court St. NE, Room H-178  
Salem, Oregon 97301  
Phone 503-986-1828  
FAX 503-373-7807

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**To:** *Capital Construction Subcommittee*

**From:** *Daron Hill, Legislative Fiscal Office*  
*(503) 986-1832*

**Date:** July 2, 2015

**Subject:** *House Bill 2278-A*  
*Work Session Recommendations*

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House Bill 2278-A modifies the schedule and conditions for the issuance of lottery bonds to pay for the Coos Bay Channel Project.

The work session packet is available on the Oregon Legislative Information System (OLIS).

## **Amendment**

The –A3 amendment further modifies the schedule and conditions for the project and specifies that up to \$15 million in net proceeds of lottery bonds may be issued for the project in the 2017-19 biennium.

**Motion #1: Move adoption of the –A3 amendment to HB 2278-A.**

## **Measure as Modified**

The measure, as amended by the –A3 amendment, is recommended to be moved to the full Committee on Joint Ways and Means.

**Motion #2: Move HB 2278-A to the full committee with a “do pass” recommendation, as modified by the –A3 amendment.**

## **Carriers:**

**Full Committee Carrier:** \_\_\_\_\_

**Second Chamber Carrier:** \_\_\_\_\_

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2278 - A3**

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

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

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Prepared by: Theresa McHugh  
Reviewed by: Steve Bender, John Borden, Paul Siebert  
Date: July 1, 2015

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**Measure Description:**

Modifies schedule and conditions for issuance of lottery bonds to pay costs of Coos Bay Channel Project.

**Government Unit(s) Affected:**

Business Development Department (Business Oregon), Department of Administrative Services (DAS), Oregon State Treasurer

**Summary of Expenditure Impact:**

See Analysis below

**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:**

The bill, which modifies the schedule and conditions for the issuance of lottery bonds for the Coos Bay Channel Project, is not anticipated to have a fiscal impact in 2015-17. It is possible that there will be bond issuance and debt service costs in the 2017-19 biennium, depending on when the bonds are issued.

**PRELIMINARY STAFF MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**Action Date:**

**Action:**

**Meeting Dates:**

**Prepared By:** Daron Hill, Deputy Legislative Fiscal Officer

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**WHAT THE MEASURE DOES:**

Provides the schedule and conditions for the issuance of lottery bonds to pay for the Coos Bay Channel Project.

**ISSUES DISCUSSED:**

Fiscal provisions of the measure.

**EFFECT OF COMMITTEE AMENDMENT:**

Modifies schedule and conditions for issuance of bonds.

**BACKGROUND:**

In response to increased interest within the marine transportation industry for the development of an intermodal container terminal at the Oregon International Port of Coos Bay, the Port received authorization in 2007 from the Assistant Secretary of the Army to pursue required analysis for channel modifications that would be necessary to service the newest classes of container ships coming into service. Since commencement of the project, fluctuations within the national and world economy have resulted in needed alterations for the timeline for subsequent phases of the project.

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2278**

1 On page 3 of the printed A-engrossed bill, delete lines 5 through 16 and  
2 insert:

3 “(b) In the biennium beginning July 1, 2017, up to \$15 million in net  
4 proceeds of lottery bonds, minus any other state funds secured by the pri-  
5 mary sponsor in the interim period 2015 to 2016, to the Coos Bay Channel  
6 Fund established in section 15, chapter 746, Oregon Laws 2007, for distrib-  
7 ution to the primary sponsor after the director finds that the primary spon-  
8 sor has taken action pursuant to the grant agreement required in section 14,  
9 chapter 746, Oregon Laws 2007, that triggers the distribution of bond pro-  
10 ceeds described in this paragraph.”

11 In line 17, delete “(d)” and insert “(c)”.

12 On page 4, line 37, after “shall” insert a colon and begin a new paragraph  
13 and insert “(A)”.

14 Delete lines 41 through 44 and insert:

15 “(B) Verify and certify to the director that:”.

16 In line 45, delete “(A)” and insert “(i)”.

17 On page 5, line 2, delete “(B)” and insert “(ii)”.

18 In line 6, delete “(c)” and insert “(b)” and delete “13 (2)(d)” and insert  
19 “13 (2)(c)”.