

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2278 - A

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

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

Prepared by: Theresa McHugh
Reviewed by: Steve Bender, John Borden, Paul Siebert, Daron Hill
Date: April 7, 2015

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:

This bill modifies the schedule and conditions for the issuance of lottery bonds for the Coos Bay Channel Project. The measure specifies that up to \$10 million in net proceeds of lottery bonds may be issued for the project in the 2015-17 biennium, up to \$5 million in the 2017-19 biennium, and up to \$40 million in the 2019-21 biennium. The bill specifies the conditions that must be met before the distribution of bond proceeds occurs.

If the \$10 million in lottery bonds authorized for the 2015-17 biennium are issued in May 2016, the Oregon Business Development Department (OBDD) would also have costs in the amount of \$1,153,624 for bond issuance expenses and debt service. The bond issuance and debt service costs for the 2017-19 biennium, based on an additional \$5 million issuance in May 2018, would total \$2,370,626. These costs will change if the dates of the bond sales change.

Neither the Office of the State Treasurer nor the Department of Administrative Services anticipate a fiscal impact as a result of the measure because bond sales are already conducted each biennium and the work related to this project would be part of the regular workload of the agencies.