

Senate Bill 605

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Oregon Department of Administrative Services to set schedule for allocation of lottery moneys to pay lottery bond principal, interest and premium due.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; amending ORS 286A.576; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 286A.576 is amended to read:

5 286A.576. (1) Subject only to the availability of unobligated net lottery proceeds, in each fiscal
6 *[year]* **period established by the Oregon Department of Administrative Services** in which lot-
7 tery bonds are outstanding, there shall be allocated, **in accordance with a schedule determined**
8 **by the department**, from the Administrative Services Economic Development Fund created by ORS
9 461.540 or, if unobligated net lottery proceeds in that fund are insufficient, from any other fund or
10 account of this state that contains unobligated net lottery proceeds, an amount of unobligated net
11 lottery proceeds that is sufficient:

12 (a) To pay all lottery bond principal, interest and premium, if any, that is scheduled to be paid
13 in that fiscal *[year]* **period**;

14 (b) To restore the balance in any reserve account for lottery bonds to the level the state has
15 covenanted to maintain in the account under ORS 286A.580 (6), including any amounts due under
16 an instrument authorized by ORS 286A.580 (6); and

17 (c) To pay bond-related costs that will be due in that fiscal *[year]* **period**.

18 (2) The amounts of unobligated net lottery proceeds allocated pursuant to subsection (1) of this
19 section shall be transferred to the following funds and accounts in the following order of priority:

20 (a) First, there shall be transferred to the Lottery Bond Fund an amount of unobligated net
21 lottery proceeds that, when added to any amounts credited to the Lottery Bond Fund that are
22 available for such purpose, will be sufficient to pay all amounts of lottery bond principal, interest
23 and premium scheduled to be paid in that fiscal *[year]* **period**;

24 (b) Second, if the balances in any reserve accounts for lottery bonds are less than the amounts
25 the state has covenanted to maintain in those reserve accounts, there shall be transferred to the
26 Lottery Bond Fund for credit to those reserve accounts amounts of unobligated net lottery proceeds
27 sufficient to restore the balances in those reserve accounts to the levels the state has covenanted
28 to maintain; and

29 (c) Third, any remaining amount shall be transferred to the Lottery Bond Administrative Fund.

30 (3) Notwithstanding any other provision of law, in accordance with *[section 4 (4),]* Article XV,
31 **section 4 (4)**, of the Oregon Constitution, the annual allocations of unobligated net lottery proceeds

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 made by this section and the transfers of unobligated net lottery proceeds required to be made by
2 this section shall be satisfied and credited from the first unobligated net lottery proceeds received
3 by this state before any other allocation, appropriation or disbursement of the earnings of the un-
4 obligated net lottery proceeds is made in *[such fiscal year]* **the fiscal period.**

5 (4) The percentages of revenues of the Oregon State Lottery that are dedicated for particular
6 purposes under *[section 4 (4),]* Article XV, **section 4 (4)**, of the Oregon Constitution, shall be cal-
7 culated without deducting from the total lottery revenues the amount of unobligated net lottery
8 proceeds that are required to pay lottery bonds.

9 (5) If there are not sufficient revenues of the Oregon State Lottery to pay lottery bonds and to
10 satisfy the percentage dedications set forth in the Oregon Constitution, the State Treasurer shall,
11 before issuing any series of lottery bonds, cause a projection of unobligated net lottery proceeds and
12 lottery bond debt service to be prepared. The State Treasurer shall not issue a series of lottery
13 bonds if the projection indicates that there will not be sufficient proceeds of the Oregon State Lot-
14 tery to satisfy the percentage dedications of *[section 4 (4),]* Article XV, **section 4 (4)**, of the Oregon
15 Constitution, and to leave unobligated net lottery proceeds in amounts at least equal to the debt
16 service on all lottery bonds, including the series proposed to be issued. However, if at some time in
17 the future a conflict arises because of a decline in revenues of the Oregon State Lottery, unobligated
18 net lottery proceeds shall be allocated and applied first to pay lottery bonds, and the remaining net
19 revenues of the Oregon State Lottery shall be divided pro rata among the constitutionally dedicated
20 uses.

21 (6) Notwithstanding any other provision of law, when the Legislative Assembly enacts laws
22 granting pledges, making dedications or making appropriations of net proceeds of the Oregon State
23 Lottery for purposes other than payment of lottery bonds, all such pledges, dedications and appro-
24 priations, whenever granted or made, shall be subordinate to the pledges and dedications of unobli-
25 gated net lottery proceeds for lottery bonds.

26 **SECTION 2. This 2015 Act being necessary for the immediate preservation of the public**
27 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
28 **on its passage.**

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