

HB 3123 -2 STAFF MEASURE SUMMARY

House Committee On Rules

Prepared By: Josh Nasbe, Counsel

Meeting Dates: 4/3, 5/8

WHAT THE MEASURE DOES:

Requires public body that seeks to issue pension obligation bonds to first obtain advisability assessment from independent registered municipal advisor.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Requires public bodies to obtain statistically based assessment from independent economic or financial consulting firm that addresses the likely return on pension obligation bonds. Directs public body to provide to State Treasurer, for inclusion in report submitted to State Debt Policy Advisory Commission.

BACKGROUND:

ORS 238.694 authorizes public bodies to issue revenue bonds for the purpose of obtaining funds to pay pension liabilities, without regard to state or local limits on indebtedness. Before issuing these bonds, House Bill 3123 requires public bodies to obtain an advisability assessment from an independent registered municipal advisor.