

HB 2158 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 1/24, 2/23

WHAT THE MEASURE DOES:

Provides that unused portion of amount of pass-through revenue bonds authorized for issuance in preceding biennium carries forward until legislation authorizing amount of pass-through revenue bonds for current biennium is enacted.

Requires public body, when issuing pension obligation bonds, to transmit independent assessment of bonds to State Treasurer at least two days before bonds are offered for sale to investors.

Removes requirement for State Treasurer to review and approve revenue bond plans of certain public universities. Requires certain public universities to certify cash flow sufficiency to State Treasurer before issuing revenue bonds.

ISSUES DISCUSSED:

- Bond cleanup bill of the session, but more issues involved.
- The awkward time between Sine Die and the time the governor signs the new bond bill.
- Pass-through bonds and a parallel separate bill in the process.
- local bond pension obligation bonds due diligence and monitoring accountability.
- Revenue Bonds by the universities, with examples of OSU and UO. The universities are okay with the changes.
- The Oregon State Treasure is not staffed to perform these duties on its own.
- OST to meet expectation to Certify the work by utilizing other financial auditors, performers and firms.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The measure provides solutions to three specific issues currently being encountered by the state treasure while conducting bonding activities.

- The pass-through Bonds: The need to continue being able to work in the period between the passing of the bond bill and the bill being signed by the governor.
- Local Bonds: meeting the requirements of obtaining, reporting, and approving new local government bond issues.
- University Bonds: to clarify the certification process for universities revenue bonds.
- They universities are responsible for the payments of the bonds.
- The universities (UO and OSU) confirmed by email that they do not have concerns about the intent of the legislation.