

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
74th Oregon Legislative Assembly  
2008 Special Session  
Legislative Revenue Office

**Bill Number:** SB 1069  
**Area:** Bonding  
**Economist:** Mazen Malik  
**Date:** Feb-13-2008

**Measure Description:**

Directs the Water Resources Department to provide grants and direct services for feasibility studies related to water conservation, water reuse and water storage. Establishes a Water Conservation, Reuse and Storage Investment Fund. Continuously appropriates funds to the department for grants and direct services. Authorizes the State Treasury to issue lottery bonds with an aggregate principal amount limit of \$10 million to fund the provision of grants and services.

**Revenue Impact:**

In Millions	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
<b>Bond proceeds</b>	\$ 10.00		\$ 10.00	0
<b>Debt Reserves</b>	\$ 1.04		\$ 1.04	
<b>Debt service Payments</b>		(\$0.48)	(\$0.48)	(\$1.83)
<b>Total</b>	<b>\$11.04</b>	<b>(\$0.48)</b>	<b>\$10.56</b>	<b>(\$1.83)</b>

**Impact Explanation:**

The bonds will be lottery-backed bonds. The issuance will occur in tow installments. The first five million will be let on May or June 2008. The second will be March 2009. Assuming that the first issuance will be taxable bonds with a rate of 5.75%, and the second installment will be nontaxable at the lower rate of 4.53%. There will be issuance costs of about \$100,000 for each issuance. The project cost, issuance costs, and reserve will be all added to the amount issued, for the total of \$11.24 million.

The payments will be a reduction to the amounts available for the legislature appropriation. However, that discretionary amount is able to cover the debt service payments without affecting any of the other lottery-dedicated funds.