

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 614**80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Establishes prudent maximum amount of outstanding General Fund-supported debt as amount for which debt service due in biennium equals five percent of General Fund revenues estimated to be received in biennium.

Government Unit(s) Affected:

Bonding, Department of Administrative Services (DAS), Oregon State Treasurer (OST)

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

ORS 286A.250 to 286A.255 establishes the State Debt Policy Advisory Commission (SDPAC) to advise the Governor and the Legislative Assembly regarding policies and actions that enhance and preserve the State's credit rating and maintain the future availability of low-cost capital financing. SDPAC annually reports its recommendations related to General Fund- and Lottery Funds-supported debt capacity. General Fund-supported debt capacity recommendations are based on a target that limits General Fund-supported debt service to five percent of projected General Fund revenues.

The measure would prohibit the Oregon State Treasurer from issuing General Fund-supported debt during a biennium if General Fund-supported debt service exceeds five percent of estimated General Fund revenues for the biennium. The limit would not apply to the issuance of bonds to refund outstanding General Fund-supported debt. ORS 286A.035 provides that the Legislative Assembly shall authorize the amount of bonds the Oregon State Treasurer may issue for the biennium. The Joint Committee on Ways and Means recommends, and the Legislative Assembly approves, bond authorizations each biennium. Proceeds from the issuance of bonds are included as revenues in agency budgets. In determining the total amount of bonds to be authorized each biennium, the Joint Committee on Ways and Means adheres to the SDPAC recommendations for General Fund- and Lottery Funds-supported debt capacity limits. While the Legislative Assembly currently follows the SDPAC recommended limit for General Fund-supported debt, this measure would prevent the Oregon State Treasurer from issuing debt in excess of the limits that are either authorized by the Legislatively Assembly or result from a decrease in projected revenues.

The measure would have no fiscal impact on the Department of Administrative Services and a minimal impact on the Oregon State Treasurer, since it would modify existing processes related to the issuance of debt. The measure would, however, impact the total General Fund-supported debt allowed to be issued and utilized each biennium to finance projects and programs in the legislatively adopted budget.