

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 616**80th Oregon Legislative Assembly – 2019 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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Date: 3/7/2019

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**Measure Description:**

Provides that State Treasurer may not recommend prudent maximum amount of lottery bonds that would cause combined existing and proposed lottery bond debt service to exceed 25 percent of unobligated net lottery proceeds.

**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. Lottery Funds-supported debt capacity recommendations are based on a target that limits Lottery Funds-supported debt service to 25 percent (25%) of unobligated net lottery revenues. This four-times coverage ratio is also incorporated in the State's Lottery Revenue bond indenture.

The measure would prohibit the Oregon State Treasurer from recommending a prudent maximum amount of lottery bonds, as defined in ORS 286A.560, that would cause combined existing and proposed lottery bond debt service to exceed 25 percent (25%) of unobligated net lottery proceeds. ORS 286A.035 provides that the Legislative Assembly shall authorize the amount of bonds that 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.

The measure would have no fiscal impact on the Department of Administrative Services and a minimal fiscal 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 Lottery Funds-supported debt recommended to be issued and utilized each biennium to finance projects and programs in the legislatively adopted budget.