

FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Measure: SB 5534 - 2

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: June 22, 2021

Measure Description:

Authorizes the issuance of lottery revenue bonds for the 2021-23 biennium.

Government Unit(s) Affected:

Bonding, Department of Administrative Services (DAS), Department of Education (ODE), Housing and Community Services Department (HCS), Oregon Business Development Department (OBDD), Oregon Department of Transportation (ODOT), Oregon Department of Veterans' Affairs (ODVA), Oregon Health Authority (OHA), Oregon Parks and Recreation Department (OPRD), Oregon State Treasurer (OST), Water Resources Department (WRD)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

See Analysis.

Analysis: Senate Bill 5534 authorizes the issuance of lottery revenue bonds for specified projects.

A total of \$445,248,672 of net lottery bond proceeds are authorized to be spent on 55 projects funded in the following state agencies:

- Department of Administrative Services - \$173,499,294
- Department of Education - \$17,500,000
- Department of Transportation - \$6,100,000
- Department of Veterans' Affairs - \$6,000,000
- Housing and Community Services Department - \$50,000,000
- Oregon Business Development Department - \$94,149,378
- Oregon Health Authority - \$20,000,000
- Parks and Recreation Department - \$10,000,000
- Water Resources Department - \$68,000,000

Bond costs of issuance are estimated to be \$7,269,944. Amounts issued for deposit into debt service reserve accounts are estimated to total \$39,921,384. SB 5505 establishes statutory lottery revenue bond authority of \$492,440,000 to allow for the issuance of lottery revenue bonds in SB 5534; generating proceeds for project costs, costs of issuance, and debt service reserves as detailed above. Other Funds limitation to expend bond proceeds for project costs and pay for the cost of issuing bonds is included in the budget reconciliation (HB 5006) bill.

Lottery Funds debt service is estimated to be \$18,468,393 in the 2021-23 biennium, which supports a lottery bond issuance totaling \$240,045,000 in the spring of 2022. Remaining lottery bonds of \$252,395,000 are scheduled to be sold in the spring of 2023, with related debt service payments beginning in the 2023-23 biennium. Total Lottery Funds debt service is estimated to be \$78,874,337 in the 2023-25 biennium and \$781,947,219 over the life of the bonds.

The measure also removes \$84,511,872 of 2019-21 lottery bond authority for projects approved in HB 5030 (2019), but not issued due to the significant decline in lottery revenues. Projects are not reauthorized to be financed with net lottery bond proceeds in 2021-23. An additional \$40,000,000 of lottery bond authority approved in prior biennia for issuance in 2021-23 is also removed.