

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 622

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

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

Prepared by: Kim To
Reviewed by: Matt Stayner, Amanda Beitel, Paul Siebert
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Measure Description:

Authorizes issuance of \$10 million in lottery bonds for deposit in Levee Project Grant Fund to be used to provide grants for levee projects.

Government Unit(s) Affected:

Bonding, Oregon Business Development Department (OBDD), Oregon State Treasurer (OST)

Summary of Fiscal Impact:

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

Analysis:

SB 622 authorizes the State Treasurer, upon request of the Oregon Business Development Department (OBDD), to issue lottery bonds in an amount that produces \$10 million of net proceeds and interest earnings for deposit in the Levee Project Grant Fund to be used for the purposes of the Fund, including for investigating the adequacy of levees and improving levees so they may be certified and accredited. The measure expands the definition of “levee project” to include the construction, capital improvement of levees, flood control embankments or flood control facilities. In addition, the measure stipulates that at least 60% of the dollar value of grants awarded from this Fund in any biennium must be used to provide assistance with levee projects to rural or distressed areas.

Oregon Business Development Department (OBDD)

This bill will have a fiscal impact on OBDD. The Department will request \$10 million in net proceeds and interest earnings from the bond issue and if approved, deposit those funds into the Levee Project Grant Fund. The Department will make grant awards from the Levee Project Grant Fund pursuant to statute. OBDD anticipates absorbing the administrative costs of this program, including the costs of Department of Justice contract reviews, application processing, and financial tracking of grants. However, note that additional, compounding workload due to other legislation in addition to this measure may require increased staffing capacity.

In addition, OBDD will incur additional costs related to the issuance of the lottery bonds, including costs of issuance and Lottery Funds debt service. Estimated Lottery Funds debt service in the 2021-23 and 2023-25 biennia will be dependent on timing of the issuance. Lottery bond authority will need to be established for project proceeds, costs of issuance, and debt service reserves. These costs will be reviewed upon consideration of this bill by the Joint Committee on Ways and Means.

Oregon State Treasure (OST)

There is no impact to the State Treasurer related to the issuance of bonds.