

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 630 - 1**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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**Measure Description:**

Authorizes issuance of lottery bonds and transfer of net proceeds to Oregon Business Development Department.

**Government Unit(s) Affected:**

Bonding, Department of Environmental Quality, Department of Administrative Services, Oregon Business Development Department

**Summary of Fiscal Impact:**

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

**Summary of Expenditure Impact:**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Oregon Business Development Department</b>		
<b>Lottery Funds</b>		
Debt Service		\$3,046,159
<b>Total Lottery Funds</b>		\$3,046,159
<b>Other Funds</b>		
Services and Supplies	\$195,149	
Special Payments	\$15,000,000	
<b>Total Other Funds</b>	\$15,195,149	\$3,046,159
<b>Total Fiscal Impact</b>	<b>\$15,195,149</b>	<b>\$3,046,159</b>
<i>Total Positions</i>	0	0

**Analysis:** This measure authorizes \$15 million in Lottery Bond proceeds to the Oregon Business Development Department (OBDD) for awards to developers for the development of housing on former landfill sites. The measure directs OBDD to develop the form and manner of applications for funding under the program and sets an application deadline of September 30, 2023. The agency has until December 31, 2023, to review applications and notify applicants of approval or rejection; rejections may not be appealed. Work on the sites must begin within one year of grant agreement execution. Within one year after the completion of cleanup and mitigation efforts on the sites, the agency, in coordination with the grant recipient, must report to the Legislature, which at a minimum, will summarize efforts, lessons learned, and recommendations for other developers.

Bond issuance costs are estimated to be \$195,149 Other Funds and debt service reserves are \$1,524,851. OBDD notes that similar bond authorizations included in the Governor’s budget assume that bonds will not be issued until March of 2025 and, therefore, no debt service is included in the 2023-25 biennium. This approach matches the historical trend of one Lottery Bond issuance per biennium in the spring of the final year. Debt service costs are estimated to be \$3.0 million Lottery Funds in the 2025-27 biennium. The anticipated bond sale timing creates a disconnect between when bond funds are available and the deadlines for applications (September 2023) and grant awards (December 2023). OBDD will staff this measure with existing resources. There is no fiscal impact to the Department of Environmental Quality or the Department of Administrative Services.

The -1 amendment designates the program as a pilot program to continue until the net lottery proceeds are expended and requires the grantee to indemnify the state. This does not change the substance of the fiscal.