

Senate Bill 451

Sponsored by Senator GIROD (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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.

Prohibits State Treasurer from incurring General Fund-supported debt in excess of prudent maximum amount unless law that authorizes General Fund-supported debt explicitly takes exception to prudent maximum amount.

Declares emergency, effective July 1, 2015.

A BILL FOR AN ACT

1
2 Relating to prudent maximum General Fund-supported debt; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS chapter 286A.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Debt service" means:**

7 (A) **Payments due on principal, interest or other amounts owed under a bond;**

8 (B) **Moneys transferred, segregated or otherwise disposed of to comply with requirements**
9 **for reserves; or**

10 (C) **Moneys owed under an agreement for exchange of interest rates, a credit enhance-**
11 **ment device or a similar instrument.**

12 (b) **"General Fund revenues" has the meaning given that term in ORS 291.348.**

13 (c) **"General Fund-supported debt" means general obligation bonds and any other bonds**
14 **that are secured by General Fund revenues or for which the State of Oregon is legally com-**
15 **mitted to make payments from the General Fund of the State of Oregon described in ORS**
16 **293.105.**

17 (2) **The Legislative Assembly finds and declares that the prudent maximum capacity of**
18 **outstanding General Fund-supported debt at any time is the amount for which debt service**
19 **in a biennium equals five percent of the General Fund revenues estimated to be received in**
20 **the biennium as provided in Article IX, section 14, of the Oregon Constitution.**

21 (3) **In each biennium, the State Treasurer may not incur General Fund-supported debt**
22 **when the debt service that comes due in the biennium, for outstanding General Fund-**
23 **supported debt and General Fund-supported debt to be incurred, exceeds five percent of the**
24 **General Fund revenues estimated to be received in the biennium as provided in Article IX,**
25 **section 14, of the Oregon Constitution.**

26 (4) **Subsection (3) of this section:**

27 (a) **Applies to any law that takes effect before, on or after the effective date of this 2015**
28 **Act and that authorizes the State Treasurer to incur General Fund-supported debt without**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **taking exception explicitly to this section.**

2 **(b) Does not apply to any law that authorizes the State Treasurer to issue refunding**
3 **bonds for outstanding General Fund-supported debt.**

4 **SECTION 3. This 2015 Act being necessary for the immediate preservation of the public**
5 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
6 **July 1, 2015.**

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