

Senate Bill 1558

Sponsored by Senator TELFER (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**.

Modifies scope of costs of certain economic development projects that Oregon Business Development Department may finance with proceeds of certain revenue bonds.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to economic development revenue bonds; amending ORS 285B.323 and 285B.344; and de-
3 claring an emergency.

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

5 **SECTION 1.** ORS 285B.323 is amended to read:

6 285B.323. (1) As used in ORS 285B.320 to 285B.371, unless the context requires otherwise:

7 [(1)] (a) "Bond" or "revenue bond" means a revenue bond, as defined in ORS 286A.001.

8 (b) **"Capital asset" means real or personal property, including vehicles, rolling stock or**
9 **equipment, that:**

10 (A) **Is used or useful in connection with a revenue-producing enterprise, an exempt fa-**
11 **cility or a nonprofit entity; and**

12 (B) **Is or will be located, or used primarily, in Oregon.**

13 [(2)] (c) "Economic development project" [*includes any properties, real or personal, used or useful*
14 *in connection with a revenue producing enterprise, an exempt facility or a nonprofit entity, and vehicles,*
15 *rolling stock or equipment related to an enterprise, facility or entity.*] **means:**

16 (A) **A capital asset.**

17 (B) **Research and development conducted in Oregon or related to products the Oregon**
18 **Business Development Commission finds will be produced in Oregon.**

19 (C) **Financing up to three years of estimated initial operating expenses associated with**
20 **a capital asset.**

21 (D) **Refinancing of an existing loan when the commission finds that refinancing the loan**
22 **facilitates the financing or operation of a capital asset.**

23 [(3)] (d) "Eligible project" means an economic development project found by the Oregon Busi-
24 ness Development Commission to meet standards of the commission.

25 [(4)] (e) "Exempt facility" means any facility described in section 142(a) of the Internal Revenue
26 Code of 1986, as amended and in effect as of [*June 30, 2007. If section 142(a) of the Internal Revenue*
27 *Code of 1986 is amended or altered on or after July 1, 2007, the Oregon Business Development De-*
28 *partment may adopt by rule a definition of "exempt facility" that is consistent with section 142(a) of the*
29 *Internal Revenue Code of 1986 as amended or altered.*] **July 1, 2011.**

30 [(5)] (f) "Nonprofit entity" means an institution, organization or other entity exempt from taxa-
31 tion under section 501(c)(3) of the Internal Revenue Code of 1986, as amended and in effect as of

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 [June 30, 2007. If section 501(c)(3) of the Internal Revenue Code of 1986 is amended or altered on or
 2 after July 1, 2007, the department may adopt a definition of “nonprofit entity” that is consistent with
 3 section 501(c)(3) of the Internal Revenue Code of 1986 as amended or altered.] **July 1, 2011.**

4 **(2) Notwithstanding the definition of “exempt facility” in subsection (1) of this section,**
 5 **if section 142(a) of the Internal Revenue Code of 1986 is amended or altered on or after July**
 6 **1, 2011, the Oregon Business Development Department may adopt by rule a definition of**
 7 **“exempt facility” that is consistent with section 142(a) of the Internal Revenue Code of 1986**
 8 **as amended or altered.**

9 **(3) Notwithstanding the definition of “nonprofit entity” in subsection (1) of this section,**
 10 **if section 501(c)(3) of the Internal Revenue Code of 1986 is amended or altered on or after**
 11 **July 1, 2011, the department may adopt a definition of “nonprofit entity” that is consistent**
 12 **with section 501(c)(3) of the Internal Revenue Code of 1986 as amended or altered.**

13 **SECTION 2.** ORS 285B.344 is amended to read:

14 285B.344. (1) At the request of the Oregon Business Development Department, the State Treas-
 15 urer may issue under ORS 285B.320 to 285B.371 and ORS chapter 286A bonds secured by revenues
 16 from [*eligible economic development projects*] **an eligible project** or from other financing sources to
 17 finance or refinance in whole or part [*the cost of acquisition, construction, reconstruction, improvement*
 18 *or extension of projects*] **an eligible project and bond-related costs, including capitalized**
 19 **interest.** The bonds [*shall*] **must** be identified by **eligible** project. Refunding bonds may be issued
 20 to refinance [*such*] **the** bonds.

21 (2) The department or the State Treasurer may appoint bond counsel as prescribed under ORS
 22 286A.130.

23 (3) Any escrow agent, bond registrar, paying agent or trustee, if any, designated to carry out
 24 all or part of the powers specified in ORS 285B.335 must agree to furnish financial statements and
 25 audit reports for each bond issue.

26 **SECTION 3. This 2012 Act being necessary for the immediate preservation of the public**
 27 **peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect**
 28 **on its passage.**

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