

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE**

**MEASURE: SB 496A
CARRIER: Sen. Burdick**

**REVENUE: Revenue Impact Statement Issued
FISCAL: No Fiscal Impact**

Action: Do Pass as Amended and be printed A-Eng.
Vote: 5-0-0
Yeas: Hass, Morse, Rosenbaum, Telfer, Burdick
Nays: 0
Exc.: 0

Prepared By: Paul Warner, Economist
Meeting Dates: 3/4, 3/26

WHAT THE BILL DOES: Specifies that declared earnings from the Oregon Growth Account are deposited in the Education Stability Fund rather than the Commercialized Research Fund. Both the Oregon Growth Account and the Commercialized Research Fund are sub-accounts within the Education Stability Fund. Reduces dedication of Education Stability Fund revenue from 10% to 5% from 7-1-09 to 6-30-13. Requires Treasurer to report to Legislature by February 1, 2011. Report is to contain a summary of Oregon Growth Account investment performance and a recommendation on whether 10% diversion of funds should be restored and the expected benefits of restoring the diversion.

ISSUES DISCUSSED:

- History and purpose of Oregon Growth Account.
- Performance of Oregon Growth Account.
- Venture capital trends in Oregon.
- History of Commercialized Research Fund.
- Need for liquidity in Education Stability Fund.

EFFECT OF COMMITTEE AMENDMENTS: Redirects declared earnings from Commercialized Research Fund to general Education Stability Fund, diverts 5% of Education Stability Fund revenue to Oregon Growth Account, extends time of reduced diversion from 2 years to 4 years.

BACKGROUND: The Oregon Growth Account is a subaccount of the Education Stability Fund. The growth account is used as a venture capital investment fund for Oregon based companies. The account is managed by the Oregon Growth Board which is chaired by the State Treasurer.