

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, Be Referred to the Committee on Finance and Revenue by prior reference and then Be Referred to the Committee on Ways and Means by prior reference
Vote:	4 - 1 - 0
Yeas:	Bonamici, Boquist, Monroe, Shields
Nays:	George
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	3/30, 4/18, 4/20

WHAT THE MEASURE DOES: Creates an Oregon Financing and Credit Authority to formulate and implement investment and management policies and practices for state funds controlled and administered by state agencies. Directs Authority to appoint an advisory council. Authorizes the Authority to enter into contracts with state agencies for investment and management of state funds and to make, purchase, guarantee and hold loans, purchase participation interests and invest and manage state funds. Directs the Authority to adopt rules. Requires report to the Legislative Assembly on or before the date of convening of the 2013 Regular Session. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Potential benefits of “economic development” banks
- Impact of recession on rural areas of state
- Potential impact on state investments
- Need for better access to credit by farmers and small businesses

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: Senate Bill 889-A creates an Oregon Financing and Credit Authority, comprised of the Governor or designee, the State Treasurer or designee, and a third member appointed jointly by the Governor and State Treasurer. The Authority is directed to create a seven-member advisory council, consisting of representatives of the state’s financial sectors, small businesses, building trades and small farms; at least two members of the advisory committee must be officers of banks with 75 percent of their offices in Oregon, and two members must be representatives of credit unions with 75 percent of their offices in Oregon. The Oregon Business Development Department is to provide staffing for the Authority. The new entity will be responsible for formulating and implementing investment and management policies and practices for state funds. The Authority is directed to submit a report to the Legislative Assembly no later than the convening of the 2013 Legislative Session.