

House Joint Resolution 42

Sponsored by Representative READ

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**.

Proposes amendment to Oregon Constitution to allow state to loan credit and incur indebtedness to create Economic Development Revolving Loan Fund to provide matching financing for loans that further economic development in state and to refinance indebtedness and borrowings issued before effective date of amendment.

Refers proposed amendment to people for their approval or rejection at next regular general election.

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new Article to be known as Article XI-R, such Article to read:

ARTICLE XI-R

SECTION 1. In the manner provided by law and notwithstanding the limitations contained in section 7, Article XI of this Constitution, the credit of the State of Oregon may be loaned and indebtedness incurred for the purpose of creating a fund to be known as the Economic Development Revolving Loan Fund. The fund shall be used to provide matching financing and other credit enhancement devices for loans that further economic development in the State of Oregon. Secured repayment of loans is a prerequisite to the advancement of moneys from the fund.

SECTION 2. In the manner provided by law and notwithstanding the limitations contained in section 7, Article XI of this Constitution, the credit of the State of Oregon may be loaned and indebtedness incurred to refinance:

(1) Indebtedness incurred under section 1 of this Article; and

(2) Borrowings issued before the effective date of this Article to finance or refinance costs described in section 1 of this Article.

SECTION 3. (1) Indebtedness may not be incurred under sections 1 and 2 of this Article if the indebtedness would cause the total principal amount of indebtedness incurred under section 1 and section 2 of this Article and outstanding to exceed one-half of one percent of the real market value of the property in this state.

(2) Indebtedness incurred under section 1 and section 2 of this Article is a general obligation of the State of Oregon and must contain a direct promise on behalf of the State of Oregon to pay the principal, premium, if any, and interest on the obligation. The full faith and credit and taxing power of the State of Oregon must be pledged to payment of the indebtedness. However, the State of Oregon may not pledge or levy an ad valorem tax to pay the indebtedness.

SECTION 4. The Legislative Assembly may enact legislation to carry out the provisions

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 of this Article.

2 **SECTION 5. This Article supersedes conflicting provisions of this Constitution.**

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4 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**
5 **people for their approval or rejection at the next regular general election held throughout**
6 **this state.**

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