

REVENUE: Revenue statement issued
FISCAL: No fiscal impact

Action: Do Pass and Be Referred to the Committee on Finance and Revenue by prior reference
Vote: 6 - 0 - 0
Yeas: Atkinson, Burdick, Edwards, Girod, Starr, Beyer
Nays: 0
Exc.: 0
Prepared By: Patrick Brennan, Administrator
Meeting Dates: 2/2

WHAT THE MEASURE DOES: Modifies the scope of costs of certain economic development projects that the Oregon Business Development Department may finance with proceeds of certain revenue bonds. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Potential tool for job creation
- High unemployment in central Oregon
- Importance of access to working capital
- Potential amendment to be considered in Senate Finance and Revenue Committee

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Business Development Department is currently authorized under ORS 285B.323 to utilize bond proceeds for economic development project financing. The statute currently defines “economic development project” as real or personal properties used or useful in connection with a revenue producing enterprise, an exempt facility or nonprofit entity, and vehicles, rolling stock and equipment related to an enterprise, facility or entity. Senate Bill 1558 expands the definition of “economic development project” to include the above, as well as: research and development conducted in Oregon or related to products that the Department finds will be produced in Oregon; financing of up to three years of estimated initial operating expenses associated with a capital asset; and refinancing of an existing loan when doing so facilitates the financing or operation of a capital asset such as those listed above.