

**Enrolled**  
**Senate Bill 1558**

Sponsored by Senator TELFER; Senator HASS, Representative WHISNANT (Pre-session filed.)

CHAPTER .....

AN ACT

Relating to economic development revenue bonds; amending ORS 285B.323, 285B.329 and 285B.344; and declaring an emergency.

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

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

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

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

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

[(3)] "*Eligible project*" means an economic development project found by the Oregon Business Development Commission to meet standards of the commission.]

(b) "**Capital asset**" means real or personal property that the Oregon Business Development Commission expects to be:

(A) Used in connection with a revenue-producing enterprise, an exempt facility or a nonprofit entity; and

(B) Located in Oregon.

(c) "**Economic development project**" means:

(A) A capital asset.

(B) Research and development conducted in Oregon.

(C) Estimated operating expenses associated with a capital asset.

(d) "**Eligible project**" means the portion of an economic development project that the commission:

(A) Has found is in compliance with applicable standards of the commission;

(B) Has found will produce substantial benefits in Oregon; and

(C) Has approved for financing with proceeds of bonds authorized under ORS 285B.320 to 285B.371.

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

[(5)] (f) "Nonprofit entity" means an institution, organization or other entity exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended and in effect as of [June 30, 2007. If section 501(c)(3) of the Internal Revenue Code of 1986 is amended or altered on or

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

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

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

**SECTION 2.** ORS 285B.329 is amended to read:

285B.329. (1) The state, acting through the State Treasurer, shall not undertake to finance any economic development project pursuant to ORS 285B.320 to 285B.371 before the Oregon Business Development Commission has reviewed the project.

(2) The commission is not required to make the determination and findings described in ORS 285A.055 (1) and (2) if the economic development project involves an exempt facility [*and related vehicles, rolling stock or equipment when the project does not require any private activity volume cap under ORS 286A.605 to 286A.625*].

**SECTION 3.** ORS 285B.344 is amended to read:

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

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

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

**SECTION 4. This 2012 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect on its passage.**

**Passed by Senate February 17, 2012**

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House February 27, 2012**

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

**Received by Governor:**

.....M,....., 2012

**Approved:**

.....M,....., 2012

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2012

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Kate Brown, Secretary of State