

## HB 2492-A Summary

The Oregon Facilities Authority (OFA) is the state agency that facilitates the issuance of tax-exempt bonds for nonprofits with capital projects in Oregon. These bonds lower the cost of financing for nonprofits, allowing more of their dollars to meet important social needs.

While a number of other states are more expansive in offering non-profit facility authority, Oregon only allows in-state projects. A limited expansion of Oregon's issuance would have no cost to the State, adapt to the needs of larger non-profits, and provide more funds to assist smaller non-profits.

### What HB 2492-A *Does*:

- Authorizes the State Treasurer to issue tax-exempt revenue bonds for nonprofits with a significant connection to Oregon for capital projects located outside Oregon.
  - Several large hospital and retirement community systems with a strong nexus to Oregon can achieve cost savings by combining projects into one bond issuance rather than multiple issuances for different states.
- Limits the tax-exemption to in-state projects as currently exists.
- Benefits the state as a whole because OFA relies solely on fees from large borrowers for its work and these fees pay for OFA's work with smaller non-profits throughout the State.
- Protects OFA from other out-of-state issuers that will issue for projects all over the country, including Oregon, without any Oregon connection.

### What HB 2492-A *Does NOT*:

- The bill does not affect or jeopardize the State's credit rating in any way.
  - The State does not guarantee the repayment of these conduit bonds.
- It does not turn OFA into a nationwide issuer for nonprofits with little or no connection to Oregon.

*OFA's mission is to assist nonprofits in obtaining low cost financing for capital projects through bond issuance that does not affect the State's credit rating or involve State guarantees or repayment.*