

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
House Committee On Transportation and Economic Development

MEASURE: HJM 5 A
CARRIER: Rep. Read

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 03/30/15

Action: Be Adopted As Amended And Be Printed Engrossed.

Meeting Dates: 03/11, 03/30

Vote:

Yeas: 7 - Bentz, Davis, Gorsek, Hack, Lively, McKeown, McLain

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Urges Congress to authorize a federal bond program comparable to Build America Bonds or the America Fast Forward Bonds Program.

ISSUES DISCUSSED:

- Level of unmet infrastructure needs in Oregon, Pacific Northwest and nationwide
- American Recovery and Reinvestment Act
- Construction trades and apprenticeship jobs

EFFECT OF COMMITTEE AMENDMENT:

Replaces reference to total amount of bonds issued in 2014 with amount of bonds issued in 2015. Urges Congress to authorize a federal bond program comparable to the America Fast Forward Bonds program or Build America Bonds. Adds whereas clause related to cost of projects because of federal mandates and regulations.

BACKGROUND:

Build America Bonds (BABs) are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or bondholder. They were part of the American Recovery and Reinvestment Act of 2009 and went into use that year. Like municipal bonds, BABs are debt securities issued by a state, municipality or county to finance capital expenditures; unlike municipal bonds, the income generated by BABs is taxable.

There are two types of Build America Bonds: for some, the issuer receives a subsidy from the federal government that allows for interest rates to be competitive with the rates paid by corporations; for others, the holder receives a tax credit equal to 35 percent of the interest on the bonds each year, which can be carried forward to future years. From the program's inception in 2009 to its end in 2010, a total of \$181 billion in Build America Bonds were issued.