

STAFF MEASURE SUMMARY

House Committee On Transportation and Economic Development

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date: 04/10/15

Action: Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.

Meeting Dates: 02/16, 04/10

Vote:

Yeas: 6 - Bentz, Gorsek, Hack, Lively, McKeown, McLain

Exc: 1 - Davis

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Authorizes the issuance of pass-through revenue bonds for projects outside of the State of Oregon. Defines term “within this state” relating to the construction of structures by institutions eligible to receive pass-through financing under the authority of the Oregon Facilities Authority. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Types of nonprofit entities that could benefit from measure
- Benefits of improved bond rating
- No anticipated impact on state’s bond rating
- Locations of out-of-state facilities that could be financed

EFFECT OF COMMITTEE AMENDMENT:

Adds clarifying language. Revises definition of “institution within this state”. Clarifies measure does not prohibit financing more than one structure.

BACKGROUND:

Established in 1989, the Oregon Facilities Authority is a government institution that assists charities of all sizes to secure low-cost financing for remodeling, expanding, construction or purchase of new facilities through the use of tax-exempt revenue bonds. The bonds are repaid through revenues generated by the project itself and the bonds are issued by the State Treasurer based on recommendations of the Authority, which consists of seven members.