

STAFF MEASURE SUMMARY

Senate Committee On Health Care

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 05/11/15

Action: Do Pass.

Meeting Dates: 05/11

Vote:

Yeas: 5 - Knopp, Kruse, Monnes Anderson, Shields, Steiner Hayward

Prepared By: Zena Rockowitz, Committee Administrator

WHAT THE MEASURE DOES:

Expands definition of “hospital facility” to include “behavioral treatment facility” and “family safety facility” for the purpose of allowing local authorities to issue conduit bonds for capital projects.

ISSUES DISCUSSED:

- Access to low-cost financing available to hospitals and retirement homes
- Use of conduit bonds for building and operating facilities
- Application to non-profit operators of facilities that provide services to those with mental illness, drug abuse and victims of domestic violence

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Conduit bonds are bonds issued by a municipality on behalf of a private entity. Generally, conduit bonds are issued to fund projects by non-profit entities. Public housing is an example of such funding. Currently, ORS 441.525-595 allow local authorities to issue conduit bonds to finance facilities for medical care and support services. However, only hospitals and certain facilities serving elderly and disabled persons are able to utilize these provisions. House Bill 3132 allows the county to issue tax-exempt bonds for an organization seeking to build a mental health treatment facility as long as the facility has a residential component of 72-hour minimum stay to a 12-month maximum.