

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 06/11/15

Action: Do Pass The A-Eng Bill.

Meeting Dates: 05/26, 06/11

Vote:

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

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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. Clarifies measure does not prohibit financing more than one structure.

ISSUES DISCUSSED:

- Conduit revenue bonds
- The variable functions of the Oregon Facilities Authority (OFA)
- Projects headquartered (nexus) in Oregon with some work outside the state
- Most of the bonds are for nonprofits (501-C3) such as hospitals and universities
- Through the biennial bond bill and subject to limits

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

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.