

HJR 201 A STAFF MEASURE SUMMARY

Senate Committee On Human Services

Action Date: 02/22/18

Action: Do adopt the A-Eng measure and refer to Rules by prior reference.

Vote: 5-0-0-0

Yeas: 5 - Gelser, Knopp, Linthicum, Monnes Anderson, Wagner

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Proposes an amendment to the Oregon Constitution, to be referred to voters, allowing municipalities such as counties, cities, or towns to use certain bonded indebtedness to finance capital costs of affordable housing. Directs jurisdictions authorizing bonded indebtedness to provide annual audits and public reporting on the expenditure of proceeds. Specifies requirements for the measure referred to voters to describe 'affordable housing' for the purposes above. Requires the principal amount of indebtedness for a jurisdiction to not exceed 0.5 percent of the real market value of all property in the jurisdiction.

ISSUES DISCUSSED:

- Characteristics and limitations of local government general obligation bonds
- Challenges in combining local government general obligation bonds with existing tools for financing affordable housing
- Extent of Oregon's housing shortage and initiatives to address Oregon's housing shortage

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Bonds are debt instruments issued by an entity with a promise to repay the original amount of the bond plus interest over a designated time. Oregon issues bonds as a method of long-term financing. The state's authority to authorize bonds comes from constitutional and statutory provisions. Issuance of these bonds is used to finance public investments.

Article XI, section 9 of the Oregon Constitution prohibits a county or city from assisting corporations by becoming a stockholder in, raising money for, or loaning the state's credit to any joint company, corporation, or association. House Joint Resolution 201-A proposes an amendment to this Article and section of the Oregon Constitution by not applying the prohibitions to financing capital costs of affordable housing in counties and cities. Local jurisdictions are required to provide annual audits and public reporting on the expenditure of the proceeds used. The proposed amendment to the Oregon Constitution is to be referred to voters for approval or rejection in the next general election.