

SB 695 A STAFF MEASURE SUMMARY

Senate Committee On Environment and Natural Resources

Action Date: 03/19/19

Action: Do pass with amendments and requesting referral to Finance and Revenue. (Printed A-Engrossed.)

Vote: 5-0-0-0

Yeas: 5 - Bentz, Dembrow, Olsen, Prozanski, Roblan

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 3/12, 3/19

WHAT THE MEASURE DOES:

Eliminates the cap on the amount of debt that a port may incur by promissory note and the five-year term limit on such notes.

ISSUES DISCUSSED:

- Time and expense of obtaining loans
- Promissory note is a borrowing option for ports

EFFECT OF AMENDMENT:

Removes the five-year term limit on promissory notes issued by a port.

BACKGROUND:

Oregon's 23 ports provide recreational, commercial, and economic services to residents and businesses in Oregon and serve as state, national, and international transportation gateways. According to Business Oregon, one in six Oregon jobs, excluding construction jobs, is directly or indirectly dependent on ports. (*Ports 2010, A New Strategic Business Plan for Oregon's Ports*)

A "promissory note" is "an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds." (Oregon Uniform Commercial Code, ORS 79.0102 UCC 9-102)

Senate Bill 695A would eliminate the cap on the amount of debt that a port may incur by promissory note, as well as the five-year term limit.