

SB 695 B STAFF MEASURE SUMMARY

Carrier: Rep. McKeown

House Committee On Revenue

Action Date: 06/13/19

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

Vote: 6-0-1-0

Yeas: 6 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith Warner

Exc: 1 - Smith G

Fiscal: No fiscal impact

Revenue: No revenue impact

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Meeting Dates: 6/13

WHAT THE MEASURE DOES:

Sets the maximum term of promissory notes issued by ports at 10 years. Places a cap of \$10 million on amount of debt that ports may incur by promissory note.

ISSUES DISCUSSED:

- Promissory notes as a bridge loan.
- Port of Coos Bay.
- No tax revenue involved.

EFFECT OF AMENDMENT:

Sets maximum term and cap of promissory notes issued by ports.

BACKGROUND:

There are 23 ports in Oregon. They provide different services to residents and businesses in Oregon. 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 fund" (Oregon Uniform Commercial Code, ORS 79.0102 UCC 9-102). This measure increases the cap on the amount of debt that a port may incur by promissory note, as well as increasing the length of term.