Senate Bill 55

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Authorizes Director of Oregon Department of Aviation, as authorized by State Aviation Board, to approve and forward applications for issuance of economic development revenue bonds to Oregon Business Development Commission.

A BILL FOR AN ACT

Relating to economic development at state airports; creating new provisions; and amending ORS 285B.323 and 285B.326.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 835.

SECTION 2. The Director of the Oregon Department of Aviation, as authorized by the State Aviation Board, may approve an application of a lessee at an airport owned or controlled by the state for the issuance of revenue bonds under ORS 285B.320 to 285B.371 and forward the application on behalf of the lessee to the Oregon Business Development Commission.

SECTION 3. ORS 285B.323 is amended to read:

285B.323. As used in ORS 285B.320 to 285B.371, unless the context requires otherwise:

(1) "Bond" or "revenue bond" means a revenue bond, as defined in ORS 286A.001.

(2) "Economic development project" includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, an exempt facility or a nonprofit entity, and vehicles, rolling stock or equipment related to an enterprise, facility or entity. "Economic development project" does not include any facility or facilities designed primarily for the generation, transmission, sale or distribution of electrical energy.

(3) "Eligible project" means an economic development project found by the Oregon Business Development Commission to meet standards of the commission. [*The commission may treat as a single eligible project for bonding purposes any number of economic development projects determined to be eligible projects.*]

(4) "Exempt facility" means any facility described in section 142(a) of the Internal Revenue Code of 1986, as amended and in effect as of June 30, 2007. If section 142(a) of the Internal Revenue Code of 1986 is amended or altered on or after July 1, 2007, the Oregon Business Development Department may adopt by rule a definition of "exempt facility" that is consistent with section 142(a) of the Internal Revenue Code of 1986 as amended or altered.

(5) "Nonprofit entity" means an institution, organization or other entity exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended and in effect as of June 30, 2007. If section 501(c)(3) of the Internal Revenue Code of 1986 is amended or altered on or after

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

July 1, 2007, the department may adopt a definition of "nonprofit entity" that is consistent with section 501(c)(3) of the Internal Revenue Code of 1986 as amended or altered.

SECTION 4. ORS 285B.326 is amended to read:

285B.326. (1) Upon determining that an economic development project is an eligible project, the Oregon Business Development Commission shall request that the State Treasurer issue the bonds.

(2) For bonding purposes, the commission may treat any number of economic development projects determined to be eligible projects as a single eligible project.

[*(2)*] **(3)** The commission shall collect fees set forth in rules established by the Oregon Business Development Department. Moneys collected under this subsection shall be deposited in the Oregon Business, Innovation and Trade Fund created under ORS 285A.227 and are continuously appropriated to the commission for the purpose of administration or funding of the Oregon Industrial Development Revenue Bond and Express Bond Program.

[*(3)(a)*] **(4)(a)** In addition to the fees described in subsection [*(2)*] **(3)** of this section, the commission may charge and receive reimbursement for expenses incurred in:

(A) The initial review of an application for economic development projects sought to be declared eligible for financing; and

(B) Matters arising after the issuance of a bond.

(b) Reimbursement for expenses under this subsection shall be charged and received in accordance with rules established by the department.

(5) When determining whether an economic development project at an airport owned or controlled by the state is an eligible project, the commission shall consider and give preference to an economic development project that is approved and forwarded to the commission by the Director of the Oregon Department of Aviation under section 2 of this 2011 Act.