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Oregon Out-of-State Issuance Bill Heads To Governor's Desk.

WASHINGTON - A bill that would allow an Oregon authority to issue bonds for projects in other states is headed for the governor's desk after passing through the state Senate this week.

House Bill 2492-A, which would give the Oregon Facilities Authority the power to issue revenue bonds for projects across state lines, won Senate approval by an 18-11 margin Tuesday. It had previously passed the House by a 53-6 vote, and has the support of Oregon Treasurer Ted Wheeler.

The OFA is a conduit issuer whose bonds are not obligations of nor guaranteed by Oregon tax dollars, but are rather backed by fees charged to nonprofit borrowers in the program. The OFA said that by gaining cross-border issuance authority, it could help borrowers such as hospitals and retirement communities that have facilities in both Oregon and in other states lower their costs because they would not have to seek out government issuers in other states and so separate transactions there.

Only nonprofits with operations or facilities in Oregon could benefit from the bill, and the state personal income tax exemption for interest on OFA bonds would only be available for projects within Oregon. OFA has also said that the bill would help its Small Nonprofit Accelerated Program or "SNAP" bond program for smaller nonprofits. That program for small borrowers is largely supported by the fees charged to larger ones.

A spokesman for Oregon Gov. Kate Brown said the legislation had not yet reached Brown's office but that the governor would review it when it does.

THE BOND BUYER

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