

# Enrolled House Bill 2270

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Business Development Department)

CHAPTER .....

AN ACT

Relating to the funding of port projects; amending ORS 285A.672, 285A.678, 285A.681, 285A.705 and 285A.708.

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

**SECTION 1.** ORS 285A.672 is amended to read:

285A.672. (1) Upon receipt of an application filed as provided in ORS 285A.669, the Oregon Infrastructure Finance Authority shall determine whether the plans and specifications for the proposed project set forth in or accompanying the application are satisfactory.

(2) If the authority determines that the plans and specifications are not satisfactory, the authority may *[within 60 days]*:

(a) Reject the application.

(b) Require the applicant to submit additional information of the plans and specifications as may be necessary.

*[(2) The authority shall charge and collect from the applicant, at the time the application is filed, a fee of not to exceed \$100. Moneys referred to in this subsection shall be paid into the Oregon Port Revolving Fund.]*

**SECTION 2.** ORS 285A.678 is amended to read:

285A.678. The Oregon Infrastructure Finance Authority may approve a project proposed in an application filed as provided in ORS 285A.669, if, after investigation, the authority finds that:

(1) The proposed project is feasible and a reasonable risk from practical and economic standpoints, and the loan has reasonable prospect of repayment.

(2) Moneys in the Oregon Port Revolving Fund are or will be available for the proposed project.

(3) There is a need for the proposed project, and the applicant's financial resources are adequate to provide the working capital needed to ensure success of the project.

(4) The applicant has received all necessary permits required by federal, state or local agencies.

*[(5) The applicant will not owe more than \$3 million in principal to the Oregon Port Revolving Fund if the loan is approved.]*

*[(6)]* (5) The standards under ORS 285A.055 have been met.

**SECTION 3.** ORS 285A.681 is amended to read:

285A.681. (1) If the Oregon Infrastructure Finance Authority approves the project, the authority, on behalf of the state, and the applicant may enter into a loan contract that is secured by good and sufficient collateral.

(2) *[The]* A loan contract **entered into pursuant to this section** shall set forth, among other matters:

(a) A plan for repayment by the applicant to the Oregon Port Revolving Fund of moneys borrowed from the fund for the project and interest on the moneys at a rate of interest *[of not less than one percent less than the prevailing interest rate on United States Treasury bills of comparable term, as]* determined by the authority.

**(b) Provisions satisfactory to the authority for field engineering and inspection, the authority to be the final judge of completion of the contract.**

**(c) That the liability of the state under the contract is contingent upon the availability of moneys in the Oregon Port Revolving Fund for use in the project.**

**(d) Any other provision the authority considers necessary to ensure expenditure of the funds for the purposes set forth in the approved application.**

(3) The repayment plan **required under subsection (2) of this section**, among other matters:

*[(A)]* **(a)** Shall provide for commencement of repayment by the port district of moneys used for the project and interest *[thereon]* **on the moneys** no later than one year after the date of the loan contract or at any other time as the authority may provide.

**(B)** *[However,]* **Notwithstanding subparagraph (A) of this paragraph and** upon approval by the authority, *[a repayment plan for]* **may provide, with respect to** a flexible manufacturing space project, *[may provide]* that no interest shall accrue until the building is at least 25 percent occupied or until three years after the date of the loan contract, whichever is earlier.

*[(B)]* **(b)** May provide for reasonable extension of the time for making any repayment in emergency or hardship circumstances if approved by the authority.

*[(C)]* **(c)** Shall provide for **such** evidence of debt assurance of, and security for, repayment by the applicant as *[are considered necessary by]* the authority **considers necessary**.

*[(D)]* **(d)** Shall specify a loan term that may not exceed the *[usable]* **useful** life of the contracted project or *[25]* **30** years from the year of project completion, whichever is less.

*[(e)]* **Shall include** a payment schedule *[shall include]* **that:**

**(A) Provides for** repayment of interest that accrues during any period of delay in repayment authorized *[by subparagraph (A) of this paragraph, and the payment schedule]* **under paragraph (a) of this subsection; and**

**(B)** May require payments of varying amounts for collection of the accrued interest.

*[(E)]* **(f)** Shall provide for partial or complete repayment, in excess of scheduled payments, of any outstanding principal loan amount without penalty. *[If any prepayment is made, that amount may not be included in any computation for the purposes of ORS 285A.678 (5).]*

*[(b) Provisions satisfactory to the authority for field engineering and inspection, the authority to be the final judge of completion of the contract.]*

*[(c) That the liability of the state under the contract is contingent upon the availability of moneys in the Oregon Port Revolving Fund for use in the project.]*

*[(d) Any other provision the authority considers necessary to ensure expenditure of the funds for the purposes set forth in the approved application.]*

*[(2)]* **(4)** The Oregon Infrastructure Finance Authority may make limited moneys available from the Oregon Port Revolving Fund to eligible ports for grants to assist with capital improvement projects.

*[(3)]* **(5)** The Oregon Business Development Department shall adopt by rule eligibility criteria and award limits for grants from the fund.

**SECTION 4.** ORS 285A.705 is amended to read:

285A.705. If the Oregon Infrastructure Finance Authority approves an application for the loan of moneys authorized by ORS 285A.702, the authority shall enter into a loan contract, secured by good and sufficient collateral, with the port district that provides, among other matters:

(1) That a notice of any lien against the property be filed with the recording officer of each county as provided for in ORS 285A.687 (1) and (2).

(2) That the loan bear interest at the same rate of interest as *[provided in]* **determined under** ORS 285A.681 *[(1)(a)]* **(2)(a)**.

(3) That the loan term may not exceed the [usable] **useful** life of the contracted project or [25] **30** years from the year of project completion, whichever is less. The same schedule shall include repayment of interest that accrues during any period of delay in repayment authorized by ORS 285A.666 to 285A.732. The repayment schedule may require payments of varying amounts for collection of accrued interest. However, the authority may make provisions for extensions of time in making repayment if the delinquencies are caused by acts of God or other conditions beyond the control of the port district and the security will not be impaired thereby.

(4) Any other provision the authority considers necessary to ensure expenditure of the moneys loaned for the purposes provided in ORS 285A.702, including all provisions of ORS 285A.678.

(5) That the authority may cause to be instituted appropriate proceedings to foreclose liens as provided for in ORS 285A.690 (1) and (2) for delinquent loan payments and shall pay the proceeds of any foreclosure, less the authority's expenses incurred in foreclosing, into the Oregon Port Revolving Fund.

**SECTION 5.** ORS 285A.708 is amended to read:

285A.708. (1) There is created within the State Treasury a revolving fund known as the Oregon Port Revolving Fund, separate and distinct from the General Fund. Interest earned by the Oregon Port Revolving Fund shall be credited to the fund. Moneys in this fund are continuously appropriated to the Oregon Business Development Department for the Oregon Infrastructure Finance Authority for the following purposes:

(a) Administrative expenses of the authority in processing applications and investigating proposed projects.

(b) Payment of loans to port districts pursuant to ORS 285A.666 to 285A.732.

(c) Administrative expenses of the authority relating to ports. In any one year, administrative expenses **may not be** charged under this paragraph **in an amount** [may not be] greater than [the total revenues received in that year from fees provided for in subsection (2)(a) of this section, plus an amount not to exceed] five percent of the total asset value of the fund.

(2) The fund created by subsection (1) of this section shall consist of:

[(a) Application fees required by ORS 285A.672 (2).]

[(b)] (a) Repayment of moneys loaned to port districts or others from the Oregon Port Revolving Fund, including interest on such moneys.

[(c)] (b) Payment of such moneys as may be appropriated to the fund by the Legislative Assembly.

[(d)] (c) Moneys obtained from any interest accrued from such funds.

(3) Outstanding debt on the fund shall not exceed 95 percent of all deposits, accounts payable, and other assets of the fund.

(4) No money shall be expended from the Oregon Port Revolving Fund for any economic development study costing more than \$50,000 unless a work plan and budget for such study has been provided to appropriate legislative committees.

**Passed by House March 27, 2023**

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Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

**Passed by Senate April 26, 2023**

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Rob Wagner, President of Senate

**Received by Governor:**

.....M,....., 2023

**Approved:**

.....M,....., 2023

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Tina Kotek, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2023

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Shemia Fagan, Secretary of State