Chapter 280

1987 REPLACEMENT PART

Financing of Public Projects and Improvements; Economic Development and Economic Emergency Assistance

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GENERALLY

280.010 [Repealed by 1983 c 260 §13]

280.020 [Repealed by 1983 c.260 §13]

280.030 [Repealed by 1983 c.260 §13]

280.040 "Subdivision" defined. As used in ORS 280.040 to 280.140, "subdivision" includes only such counties, municipal corporations, quasi-municipal corporations and civil or political corporations or subdivisions as are empowered by law to levy ad valorem taxes.

280.050 Providing funds for financing cost of services, projects, property and equipment. Funds may be obtained as prescribed in ORS 280.040 to 280.140 for the purpose of financing the cost of any service, project, property or equipment which a subdivision has lawful power to perform, construct or acquire, and of repairs and improvements thereto and of maintenance and replacement thereof. [Amended by 1967 c 203 §4]

280.055 Obtaining and advancing of funds to county service districts. Funds may be obtained by a county as prescribed by ORS 280.040 to 280.140 for the purpose of advancing funds to a district established under ORS 451.410 to 451.610 to finance the cost of any service facility which the district is authorized to construct, maintain and operate. [1969 c.646 §17]

280.060 Levy of taxes outside constitutional limitation; approval of electors. (1) Upon approval of a majority of the electors of a subdivision voting at any election regularly called and held for the purpose or purposes named in ORS 280.050, a subdivision may levy taxes serially outside the limitation imposed by section 11, Article XI, Oregon Constitution, over the period of time that is authorized by the electors. The amount levied each year shall be:

(a) Uniform, or substantially so, throughout the period during which the taxes are levied; or

(b) Computed annually at the same dollar rate per thousand dollars assessed value in the subdivision, such rate to be declared in and made a part of the ballot measure to be submitted to the electorate.

(2)(a) If paragraph (a) of subsection (1) of this section applies, the period of time authorized by the electors shall not exceed three years if the levy is for operating purposes or 10 years if the levy is for any other purpose.

(b) If paragraph (b) of subsection (1) of this section applies, the period of time authorized by the electors shall not exceed three years if the levy is for operating purposes or any other purpose.

(3)(a) All levies authorized by ORS 280.040 to 280.140 which are submitted to the people wholly or partially for the purpose of capital construction shall be separately submitted to the electors.

(b) For purposes of this subsection, "capital construction" means the acquisition of land upon which to construct a building, the acquisition of a building, the acquisition of an addition to a building which increases the square footage of the building, the construction of a building, the construction of an addition to an existing building which increases the square footage of the building or the acquisition of and installation of machinery and equipment which will become an integral part of a building or an addition to a building, or a combination of those items. [Amended by 1953 c.134 §2; 1977 c.730 §1; 1979 c.241 §24; 1981 c.804 §79]

280.070 Manner of holding elections. (1) An election within a county for the purpose of approving a tax levy under ORS 280.060 shall be called by the county court or board of county commissioners and shall be held on a date specified in ORS 203.085.

(2) An election within a city for the purpose of approving a tax levy under ORS 280.060 shall be called by the governing body of the city and held on a date specified in ORS 221.230.

(3) An election within a political subdivision other than a county or city for the purpose of approving a tax levy under ORS 280.060 shall be called by the governing body of the subdivision and held on a date specified in ORS 255.345. [Amended by 1983 c.350 §133]

280.080 Contents of order, resolution or ordinance calling election. The order, resolution or ordinance, as the case may be, pursuant to which the election required by ORS 280.060 is called and held, shall set forth:

(1) The purpose for which the funds to be provided by the tax levies are to be expended.

(2) The estimated total outlay for such purpose.

(3) The period of time authorized by the electors pursuant to ORS 280.060 (2).

(4) Whether or not the proposed taxes are outside the limitation imposed by section 11, Article XI, Oregon Constitution. [Amended by 1977 c.730 §2]

280.090 Submission of several proposals to levy taxes. If more than one proposal

to levy taxes serially is submitted to the electors at the same election, the several ballot measures shall be voted upon separately. However, not more than four separate ballot measures proposing a serial levy may be submitted to the electors under the provisions of ORS 280.040 to 280.140 within a single calendar year. [Amended by 1979 c 241 §25, 1981 c 804 §80]

280.100 Financial reserve or special fund may be established without vote; unexpended balances. Any city, town or port, by ordinance, and any other subdivision, by resolution, may establish a financial reserve or special fund or funds for the purposes specified in ORS 280.050, without submitting the question to a vote of the electors, if the taxes levied or other funds used for the purpose of establishing the fund or funds are within the limitation imposed by section 11, Article XI, Oregon Constitution. The annual increments to such funds shall be limited to a period of not to exceed 10 years. Should unexpended balances remain after disbursement of the funds referred to in this section for the purposes for which they were provided, such balances upon approval of the governing body of the subdivision duly entered into the minutes of its proceedings may be transferred to the general fund of the subdivision.

280.110 Keeping funds; limitation on expenditure. All funds received by any subdivision pursuant to the authority of ORS 280.040 to 280.140 shall be:

(1) Kept by the treasurer or other financial officer thereof in a fund or funds separate and distinct from other funds of the subdivision.

(2) Retained or expended only for the purpose for which the funds were created.

280.120 Action when further accumulation becomes unnecessary. If at any time conditions arise which dispense with the necessity of further accumulation or expenditure from a fund referred to in ORS 280.110 for the purpose for which it was voted, the governing body by vote of two-thirds of the members of such body may so declare by an appropriate resolution adopted and spread upon the minutes of such body, after which the balances in such funds and future receipts from tax levies and penalties and interest thereon, if any, which otherwise would have been credited thereto, shall be transferred to the general fund of the subdivision and the tax levies thereafter shall be discontinued.

280.130 Transfer of balance of fund after 12 years. Any balance in a fund referred to in ORS 280.110 that is not expended or obligated by definite commitments within 12 years from the date of the election or of the adoption of the ordinance or resolution pursuant to which the fund was established shall automatically revert to and become a part of the general fund of the subdivision and shall be transferred thereto by the treasurer or other financial officer thereof.

280.140 Unauthorized expenditure or deficit prohibited. No member of the governing body of a subdivision through the vote of the member shall cause to be made an unauthorized expenditure or a deficit in a fund originating pursuant to the provisions of ORS 280.040 to 280.130.

280.150 Appropriating money and issuing bonds to construct, operate and maintain joint facilities. Incorporated cities, school districts and counties of this state may jointly, in such manner as they shall agree upon, construct, acquire, own, equip, operate and maintain facilities which will directly aid each participating governmental unit in performing a duty or duties imposed upon it or aid in exercising a power or powers conferred upon it, and may appropriate money and may issue bonds therefor.

ECONOMIC DEVELOPMENT PROJECTS

(Generally)

280.250 Legislative intent. It is the intent of the Legislative Assembly to centralize and improve the administration of small business finance programs at the state level and to encourage a cooperative partnership with local and regional development finance organizations and private financial institutions to promote economic development throughout the state pursuant to ORS 184.025, 280.250 to 280.320, 280.397, 280.532 to 280.540, 280.575, 286.605 to 286.645, 777.850, 777.860 and 777.884. [1985 c 806 §1, 1987 c 769 §14]

280.255 Finance Committee for Economic Development Commission; qualifications; term; compensation and expenses; officers; quorum. (1) The Finance Committee for the Economic Development Commission is established. It shall consist of three members of the Economic Development Commission and four public members recommended by the chairperson of the commission and appointed by the Governor. Of the members:

(a) One shall represent the private financial sector and shall have private lending experience in the Oregon economy.

(b) One shall represent the state's basic sector small businesses.

(c) One shall represent the state's local governments.

(2) The term of office of each member is four years, but a member serves at the pleasure of the chairperson of the commission with the approval of the Governor. Before the expiration of the term of a member, the chairperson of the Economic Development Commission shall appoint, with the approval of the Governor, a successor whose term begins on July 1 next following. A member is eligible for reappointment for one additional term. If there is a vacancy for any cause, the chairperson shall make an appointment, with the approval of the Governor, to become immediately effective for the unexpired term.

(3) A member of the committee is entitled to compensation and expenses as provided in ORS 292.495.

(4) The chairperson of the commission with the approval of the Governor shall select one of the members of the committee as chairperson and another as vice-chairperson, for such terms and with duties and powers necessary for the performance of the functions of such offices as the chairperson of the commission, with the approval of the Governor, determines.

(5) A majority of the members of the committee constitutes a quorum for the transaction of business. [1985 c.806 §3]

280.260 Duties of committee; staff. (1) The Finance Committee for the Economic Development Commission shall have authority if directed to do so by the commission to review and make recommendations for state industrial development revenue bond program under ORS 280.310 to 280.393, umbrella revenue bond program under ORS 280.395 and 280.397, the Oregon business development loan program under ORS 280.520 to 280.585, and the Oregon Port Revolving Fund under ORS 777.850 to 777.910.

(2) The commission may delegate to the finance committee authority for final approval for programs or portions of programs described in subsection (1) of this section.

(3) The Finance Committee for the Economic Development Commission shall be provided staff by the Economic Development Department. The Economic Development Department shall provide administrative support to the committee for its general responsibilities and for the Oregon Business Development Fund, Oregon Port Revolving Fund, industrial development revenue bonds and umbrella revenue bonds. [1985 c.806 §§2, 4]

280.265 Rulemaking authority. In accordance with applicable provisions of ORS 183.310 to 183.550, the Finance Committee for the Economic Development Commission shall adopt by rule policies or procedures:

(1) Consistent with policies and rules of the Economic Development Commission for programs described in ORS 280.260 (1).

(2) Governing processing of applications and making of recommendations to the Economic Development Commission. [1985 c 806 §5]

280.270 Commission rules. The Economic Development Commission may make such rules as it considers necessary to carry out its duties, functions and powers for the administration of federal funds, as provided in ORS 280.260 (1) and (2). Rules adopted by the commission shall be consistent with the requirements of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) as amended. [1985 c 806 §13]

(State)

280.310 Policy. The Legislative Assembly finds that by use of the powers and procedures described in ORS 280.310 to 280.397 for the assembling and financing of lands for industrial, commercial and research and development uses and for the construction and financing of facilities for such uses, financed through the issuance of revenue bonds secured solely by the properties and rentals thus made available, the state may be able to reduce substantially in various counties the occurrence of economic conditions requiring more expensive remedial action. It is the purpose of ORS 280.310 to 280.397 to authorize the exercise of powers granted by ORS 280.310 to 280.397 by this state in addition to and not in lieu of any other powers it may possess. [1975 c.316 §1; 1983 c.459 §1]

280.315 Definitions for ORS 280.310 to 280.397. As used in ORS 280.310 to 280.397 unless the context requires otherwise:

(1) "Economic development project" includes any properties, real or personal, used or useful in connection with a revenue producing enterprise. "Economic development project" shall not include any facility or facilities designed primarily for the generation, transmission, sale or distribution of electrical energy.

(2) "Eligible project" means an economic development project found by the Economic Development Commission to meet standards of the commission adopted by rule pursuant to ORS 280.310 to 280.397. The Economic Development

Commission may treat as a single eligible project for bonding purposes any number of economic development projects determined to be eligible projects. [1975 c 316 §2; 1983 c 459 §2]

280.320 Standards for eligibility of projects for financing; fees. (1) The Economic Development Commission shall adopt by rule standards by which to determine the eligibility of economic development projects for bond financing pursuant to ORS 280.310 to 280.397. In determining such standards, the commission shall consider all relevant data. The commission shall meet the standards under ORS 184.025. The standards of the commission shall provide that projects are approved in accordance with criteria reflecting the economic benefits to the state. Such criteria shall include, but need not be limited to, the following:

(a) Supporting projects that will increase the number of family wage jobs in this state.

(b) Promoting economic recovery in small cities heavily dependent on a single industry.

(c) Emphasizing development in underdeveloped rural areas of this state.

(d) Utilizing the educational resources available at institutions of higher education.

(e) Supporting the development of the state's small businesses, especially businesses owned by women and members of minority groups.

(f) Encouraging the use of Oregon's human and natural resources in endeavors which harness Oregon's economic comparative advantages.

(g) Limiting assistance to projects that assist businesses selling goods and services in markets for which national or international competition exists.

(2) Upon determining an economic development project an "eligible project," the commission shall forward the application to the State Treasurer, who shall determine whether to issue the revenue bonds.

(3) The commission shall collect the fees set forth in subsection (4) of this section from an applicant that seeks to have an economic development project declared eligible for financing. The fee may be collected even though the project has not been determined to be eligible for financing. Moneys collected under this subsection are continuously appropriated to the commission for the purpose of administration or funding of any program it is authorized to operate. Participation fees received on bonds issued pursuant to ORS 280.397 may be paid to local development groups for administration expenses related to investigating proposed economic development projects and assisting the commission in processing applications pursuant to ORS 280.397.

(4) The fees described in subsection (3) of this section are as follows:

(a) $250 for an application of not to exceed $500,000.

(b) $500 for an application of more than $500,000.

(c) A closing fee of not to exceed one-half of one percent of the total bond issue for the project, as determined by the commission.

(d) A one-time participation fee, not to exceed one-half of one percent of the total bond issue or an annual participation fee not to exceed one one-sixteenth of one percent of the outstanding principal of the bond issue as determined by the commission.

(e) For bonds issued under ORS 280.395 and 280.397, insurance assessments in amounts and payable at such times as are required by rules adopted pursuant to ORS 280.397.

(5) The Economic Development Department shall periodically monitor and annually report on the actual number of jobs created by firms receiving industrial revenue bond financing. Such reports shall be submitted to the Joint Legislative Committee on Trade and Economic Development on October 1 each year, commencing in 1986. [1975 c.316 §3; 1977 c.147 §1; 1979 c.182 §8, 1981 c 282 §1; 1983 c.459 §9; 1985 c 806 §6; 1987 c 158 §38]

280.325 Review by Economic Development Commission. The state, acting through the State Treasurer, shall not undertake to finance any economic development project pursuant to ORS 280.310 to 280.397 before the Economic Development Commission has reviewed the project pursuant to standards adopted under ORS 280.320. [1975 c 316 §4]

280.330 Request by county governing body. (1) The undertaking of any eligible project must be requested by official action of the governing body of the county taken at a regular or duly called special meeting thereof by the affirmative vote of a majority of its members.

(2) The governing body of any Oregon county is encouraged to forward appropriate prospective development projects to the Economic Development Commission for processing pursuant to ORS 280.320. [1975 c 316 §10]

280.335 Powers of State Treasurer. In addition to any other powers granted by law or by charter, in relation to an eligible project, the state, acting through the State Treasurer or a designee thereof may:

(1) Enter into agreements to finance the costs of an eligible project by loaning the proceeds of bonds authorized by ORS 280.395 and 280.397 to any person, firm or public or private corporation or federal or state governmental subdivision or agency under such terms and with such security as the state may approve;

(2) Lease and sublease eligible projects to any person, firm or public or private corporation or federal or state governmental subdivision or agency in such manner that rents to be charged for the use of such projects shall be established, and revised from time to time as necessary, so as to produce income and revenue sufficient to provide for the prompt payment of principal of and interest on all bonds issued under this section when due, and the lease shall also provide that the lessee shall be required to pay all expenses of the operation and maintenance of the project including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the leased premises and payable during the term of the lease, during which term ad valorem taxes in the same amount and to the same extent as though the lessee were the owner of all real and personal property comprising the project;

(3) Pledge and assign to the holders of such bonds or a trustee therefor all or any part of the revenues of one or more eligible projects owned or to be acquired by the state, and define and segregate such revenues or provide for the payment thereof to a trustee;

(4) Mortgage or otherwise encumber eligible projects in favor of the holders of such bonds or a trustee therefor. However, in creating any such mortgages or encumbrances the state can not obligate itself except with respect to the project;

(5) Make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers granted by this section, or in the performance of its covenants or duties, or in order to secure the payment of its bonds; including a contract entered into prior to the construction, acquisition and installation of the eligible project authorizing the lessee, subject to such terms and conditions as the state shall find necessary or desirable and proper, to provide for the construction, acquisition and installation of the buildings, improvements and equipment to be included in the project by any means available to the lessee and in the manner determined by the lessee, and without advertisement for bids as may be required for the construction, acquisition or installation of other public facilities;

(6) Enter into and perform such contracts and agreements with political subdivisions and state agencies as the respective governing bodies of the same may consider proper and feasible for or concerning the planning, construction, installation, lease, or other acquisition, and the financing of such facilities, which contracts and agreements may establish a board, commission or such other body as may be deemed proper for the supervision and general management of the facilities of the eligible project; and

(7) Accept from any authorized agency of the Federal Government loans or grants for the planning, construction, acquisition, leasing, or other provision of any eligible project, and enter into agreements with such agency respecting such loans or grants. [1975 c 316 §7, 1983 c.459 §10]

280.340 Powers of Economic Development Commission. In carrying out its duties under ORS 280.310 to 280.397, the Economic Development Commission, acting for and in behalf of the state as its duly authorized agency, may:

(1) Acquire, construct and hold in whole or in part any lands, buildings, easements, water and air rights, improvements to lands and buildings and capital equipment to be located permanently or used exclusively on such lands or in such buildings, which are deemed necessary in connection with an eligible project to be situated within the state, and construct, reconstruct, improve, better and extend such projects, and enter into contracts therefor; and

(2) Sell and convey all properties acquired in connection with eligible projects, including without limitation the sale and conveyance thereof subject to any mortgage and the sale and conveyance thereof under an option granted to the lessee of the eligible project, for such price, and at such time as the state may determine. However, no sale or conveyance of such properties shall ever be made in such manner as to impair the rights of interests of the holder, or holders, or any bonds issued under the authority of ORS 280.310 to 280.397. [1975 c 316 §8]

280.345 Limitation on state power. Except as provided in ORS 280.340 (2), the state shall not have power to operate any eligible project as a business or in any manner whatsoever, and except as provided in ORS 280.395 and 280.397, nothing in ORS 280.310 to 280.397 authorizes the state to expend any funds on any eligible project, other than the revenues of such projects, or the proceeds of revenue bonds issued hereunder, or other funds granted to the state for the purposes of an eligible project. [1975 c.316 §9; 1983 c.459 §11]

280.350 Authority to issue bonds. (1) If the State Treasurer determines that revenue bonds should be issued:

(a) The State Treasurer may authorize and issue in the name of the State of Oregon revenue bonds secured by revenues from eligible economic development projects, and where applicable, secured as provided in ORS 280.395 and 280.397, to finance or refinance in whole or part the cost of acquisition, construction, reconstruction, improvement or extension of projects. The bonds shall be identified by project and issued in the manner prescribed by ORS 286.010, 286.020 and 286.105 to 286.135, and refunding bonds may be issued to refinance such revenue bonds.

(b) The State Treasurer shall designate the underwriter, trustee and bond counsel, if any, and enter into appropriate agreements with each to carry out the provisions of ORS 280.310 to 280.397.

(2) Any trustee designated by the State Treasurer to carry out all or part of the powers specified in ORS 280.335 must agree to furnish financial statements and audit reports for each bond issue. [1975 c 316 §6, 1983 c 459 §3]

280.355 Issuance of bonds; determining factors. In determining whether to issue revenue bonds under ORS 280.310 to 280.397, the State Treasurer shall consider:

(1) The bond market for the types of bonds proposed for issuance.

(2) The terms and conditions of the proposed issue.

(3) Such other relevant factors as the State Treasurer considers necessary to protect the financial integrity of the state. [1975 c.316 §5; 1977 c.147 §2]

280.360 Method of issuing bonds. Bonds authorized under ORS 280.310 to 280.397 shall be issued in accordance with the provisions of ORS 288.515 to 288.550. [1975 c 316 §11; 1983 c 459 §4]

280.365 Administration expenses. The administrative expenses of the State Treasurer shall be charged against bond proceeds or project revenues. [1975 c.316 §12]

280.370 Refunding bonds. The State Treasurer shall have the power, whenever the treasurer deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured. The refunding bonds may be exchanged for bonds to be refunded and the proceeds applied to the purchase, redemption or payment of such bonds. [1975 c.316 §13]

280.375 Validity of bonds. The validity of bonds issued under ORS 280.310 to 280.397 shall not be dependent on nor be affected by the validity or regularity of any proceeding relating to the acquisition, purchase, construction, installation, reconstruction, improvement, betterment or extension of the eligible project for which the bonds are issued. The official action authorizing such bonds may provide that the bonds shall contain a recital that they are issued pursuant to ORS 280.310 to 280.397 and such recital shall be conclusive evidence of their validity and of the regularity of their issuance. [1975 c.316 §14]

280.380 Covenants in bonds. The official action authorizing the issuance of bonds under ORS 280.310 to 280.397 to finance or refinance in whole or in part, the acquisition, construction, installation, reconstruction, improvement, betterment or extension of any eligible project may contain covenants, notwithstanding that such covenants may limit the exercises of powers conferred by ORS 280.310 to 280.397 in the following respects and in such other respects as the state, acting through the State Treasurer, or the designee of the treasurer may decide:

(1) The rents to be charged for the use of properties acquired, constructed, installed, reconstructed, improved, bettered or extended under the authority of ORS 280.310 to 280.397;

(2) The use and disposition of the revenues of such projects;

(3) The creation and maintenance of sinking funds and the regulation, use and disposition thereof;

(4) The creation and maintenance of funds to provide for maintaining the eligible project and replacement of properties depreciated, damaged, destroyed or condemned;

(5) The purpose or purposes to which the proceeds of sale of bonds may be applied and the use and disposition of such proceeds;

(6) The nature of mortgages or other encumbrances on the eligible project made in favor of the holder or holders of such bonds or a trustee therefor;

(7) The events of default and the rights and liabilities arising thereon and the terms and conditions upon which the holders of any bonds may bring any suit or action on such bonds or on any coupons appurtenant thereto;

(8) The issuance of other or additional bonds or instruments payable from or constituting a charge against the revenue of the eligible project;

(9) The insurance to be carried upon the eligible project and the use and disposition of insurance moneys;

(10) The keeping of books of account and the inspection and audit thereof;

(11) The terms and conditions upon which any or all of the bonds shall become or may be declared due before maturity and the terms and conditions upon which such declaration and its consequences may be waived;

(12) The rights, liabilities, powers and duties arising upon the breach by the municipality or redevelopment agency of any covenants, conditions or obligations;

(13) The appointing of and vesting in a trustee or trustees of the right to enforce any covenants made to secure or to pay the bonds; the powers and duties of such trustee or trustees, and the limitation of their liabilities;

(14) The terms and conditions upon which the holder or holders of the bonds, or the holders of any proportion or percentage of them, may enforce any covenants made under ORS 280.310 to 280.397;

(15) A procedure by which the terms of any official action authorizing bonds or of any other contract with bondholders, including but not limited to an indenture of trust or similar instrument, may be amended or abrogated, and the amount of bonds the holders of which may consent thereto, and the manner in which such consent may be given; and

(16) The subordination of the security of any bonds issued under ORS 280.310 to 280.397 and the payment of principal and interest thereof, to the extent deemed feasible and desirable by the state, to other bonds or obligations of the state issued to finance the eligible project or that may be outstanding when the bonds thus subordinated are issued and delivered. [1975 c.316 §15]

280.385 Limitations of bonds; recitals. (1) Revenue bonds issued under ORS 280.310 to 280.397:

(a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the payment thereof, except as provided in this section and ORS 280.395 and 280.397, nor shall the state be subject to any liability thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the taxing power of the state to pay any such bonds or the interest thereon, nor to enforce payment thereof against any property of the state except those projects or portions thereof, mortgaged or otherwise encumbered under the provisions and for the purposes of ORS 280.310 to 280.397.

(b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state, except those eligible projects, or portions thereof, mortgaged or otherwise encumbered, under the provisions and for the purposes of ORS 280.310 to 280.397 and except as provided in ORS 280.395 and 280.397.

(2) Each bond issued under ORS 280.310 to 280.397 shall recite in substance that the bond, including interest thereon, is payable solely from the revenue pledged to the payment thereof and as provided in ORS 280.395 and 280.397. No such bond shall constitute a debt of the state or a lending of the credit of the state within the meaning of any constitutional or statutory limitation. However, nothing in ORS 280.310 to 280.397 is intended to impair the rights of holders of bonds to enforce covenants made for the security thereof as provided in ORS 280.390. [1975 c.316 §16; 1983 c.459 §12]

280.390 Powers and rights of bondholders. Subject to any contractual limitation binding upon the holders of any issue of revenue bonds, or a trustee therefor, including but not limited to the restriction of the exercise of any remedy to a specified proportion or percentage of such holders, any holder of bonds, or any trustee therefor, for the equal benefit and protection of all bondholders similarly situated, may:

(1) By action or proceeding for legal or equitable remedies, enforce their rights against the state and any of its officers, agents and employes, and may require and compel the state or any such officers, agents or employes to perform and carry out its and their duties and obligations under ORS 280.310 to 280.397 and its and their covenants and agreements with bondholders;

(2) By action require the state to account as if it was the trustee of an express trust;

(3) By action enjoin any acts or things which may be unlawful or in violation of the right of the bondholders;

(4) Bring action upon the bonds;

(5) Foreclose any mortgage or lien given under the authority of ORS 280.310 to 280.397 and cause the property standing as security to be sold under any proceedings permitted by law or equity; and

(6) Exercise any right or remedy conferred by ORS 280.310 to 280.397 without exhausting and without regard to any other right or remedy conferred by ORS 280.310 to 280.397 or any other law of this state, none of which rights and remedies is intended to be exclusive of any other, and each is cumulative and in addition to every other right and remedy. [1975 c.316 §17; 1979 c.284 §130]

280.393 Loans to eligible projects when state holds no interest. The state, acting through the State Treasurer and the Economic Development Commission, or either of them, may loan the proceeds of the bonds authorized by ORS 280.310 to 280.397 for eligible projects without the necessity of the state having any ownership or leasehold interest in the eligible projects. Loans made pursuant to this section shall be secured, if at all, to the extent deemed necessary or desirable by the State Treasurer and the Economic Development Commission. [1983 c 459 §6]

280.395 Oregon Economic Development Fund; uses; sources; Economic Development Insurance Account. (1) There hereby is created within the State Treasury a revolving trust fund known as the Oregon Economic Development Fund, separate and distinct from the General Fund. Moneys in this fund shall be used in accordance with agreements made by the state, acting through the State Treasurer or the State Treasurer's designee, for the benefit of the holders of bonds issued under ORS 280.397, but only to pay:

(a) Principal of, interest and redemption premium, if any, on bonds issued under ORS 280.397;

(b) Insurance premiums for bonds issued under ORS 280.397; and

(c) Repayment of any transfers authorized by subsection (4) of this section.

(2) The following moneys shall be credited to the Oregon Economic Development Fund:

(a) Reserve funds established for bonds issued under ORS 280.397.

(b) Such moneys as may be appropriated to the fund by the Legislative Assembly.

(c) Payments made in respect of eligible projects under loan agreements, leases or subleases which are dedicated to payments of bond principal, interest and redemption premium, if any.

(d) Earnings from investment of moneys in the fund.

(e) Any grant made to the fund by any federal agency.

(f) Any gifts given for purposes of ORS 280.397.

(g) Any other moneys required to be placed in the fund pursuant to any agreement authorized by ORS 271.510, 271.520, 280.310 to 280.320, 280.335, 280.345, 280.350, 280.360, 280.385, 280.393 to 280.397, 280.575 and 777.250.

(3) There is hereby created a trust account within the Oregon Economic Development Fund to be known as the Economic Development Insurance Account. Fees authorized under ORS 280.320 (4)(e) and other moneys required to be placed in the account pursuant to any agreement authorized by ORS 271.510, 271.520, 280.310 to 280.320, 280.335, 280.345, 280.350, 280.360, 280.385, 280.393 to 280.397, 280.575 and 777.250 and such other assets as may be required pursuant to ORS 280.397 (4) and earnings in the account shall be credited to the Economic Development Insurance Account. Fees authorized under ORS 280.320 (4)(d) shall be credited to the Economic Development Insurance Account, unless otherwise required as repayment for transfers provided for in paragraph (b) of subsection (4) of this section. Moneys in the Economic Development Insurance Account shall be used only to replenish reserves established in the Oregon Economic Development Fund or to pay principal and interest due on bonds authorized under ORS 280.397 and to pay insurance premiums for such bonds, in accordance with rules adopted by the state, acting through the State Treasurer or the State Treasurer's designee.

(4) If, at any time, there are insufficient moneys in the Oregon Economic Development Fund available for timely payment of the bonds authorized by ORS 280.397, then the conditions precedent to a transfer of moneys under ORS 293.210 from the Oregon Business Development Fund to the Oregon Economic Development Fund shall be deemed to be met for:

(a) A transfer of any liquid assets in the Oregon Business Development Fund which are not then required to meet obligations against that fund; and

(b) A maximum transfer of $3 million from any other state funds having excess money, but only under terms for repayment which are approved by the State Treasurer. [1983 c.459 §7]

280.397 Issuance of bonds secured by Oregon Economic Development Fund. (1) In addition to bonds authorized by ORS 280.310 to 280.397, the state may issue bonds to finance eligible projects which are secured in part by the assets of the Oregon Economic Development Fund, as provided in this section.

(2) The aggregate principal amount of revenue bonds issued pursuant to this section which are outstanding at any time shall not exceed $20 million.

(3) Bonds issued pursuant to this section shall be secured in the manner provided in rules adopted by the Economic Development Commission and approved by the State Treasurer.

(4) The commission may require participants to agree to such arrangements as it and the State Treasurer deem necessary to secure the payment of the principal of, and interest on, the bonds, and redemption premium, if any. Such arrangements may include, but are not limited to, establishment of a debt service reserve, creation of a self-insurance program, the purchase of insurance or other similar devises ensuring the payment of the principal of, and interest on, the bonds issued pursuant to this section.

(5) Within 30 days following the closing of each fiscal quarter, the commission shall report on its operations to the Governor, State Treasurer and the Legislative Assembly. The report shall include a summary of the commission's activities relating to bonds issued under this section.

(6) Notwithstanding the provisions of ORS 280.385, the state may pledge to the payment of bonds authorized by this section any funds or revenues specifically set forth in this section, as well as any other funds or revenues which may be used for such purposes under any other provision of state law.

(7) Except to the extent they are inconsistent with the provisions of this section or the rules adopted under ORS 271.510, 271.520, 280.310 to 280.320, 280.335, 280.345, 280.350, 280.360, 280.385, 280.393 to 280.397, 280.575 and 777.250, the provisions of ORS 280.310 to 280.397 apply to the bonds issued under ORS 271.510, 271.520, 280.310 to 280.320, 280.335, 280.345, 280.350, 280.360, 280.385, 280.393 to 280.397, 280.575 and 777.250 and the loans made pursuant to this section.

(8) No bonds may be issued under this section after January 1, 1990.

(9) In accordance with any applicable provision of ORS 183.310 to 183.550, the commission may make such rules as it considers necessary to carry out its duties, functions and powers under ORS 271.510, 271.520, 280.310 to 280.320, 280.335, 280.345, 280.350, 280.360, 280.385, 280.393 to 280.397, 280.575 and 777.250. [1983 c.459 §8; 1985 c.806 §7; 1987 c 840 §5]

(Major Cities)

280.410 Definitions for ORS 280.410 to 280.485. As used in ORS 280.410 to 280.485 unless the context requires otherwise:

(1)(a) "Economic development project" includes any properties, real or personal used or useful in connection with a revenue producing enterprise.

(b) "Economic development project" also includes multiple unit residential housing development, including low income single room occupancy housing, on land having an assessed valuation of $8 per square foot or more on September 13, 1975, land within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457, or land within an area designated as a Housing and Community Development Target Neighborhood pursuant to the 1974 Housing and Community Development Act.

(c) "Economic development project" shall not include any facility or facilities designed primarily for the operation, transmission, sale or distribution of electrical energy.

(2) "Eligible project" means an economic development project found by the city to meet standards adopted pursuant to ORS 280.410 to 280.485.

(3) "City" means any city with a population of 300,000 or more.

(4) "Cost" as applied to any project includes:

(a) The cost of construction and reconstruction;

(b) The cost of acquisition of property, including rights in land and other property, both real and personal and improved and unimproved and the cost of site improvements;

(c) The cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved or relocated;

(d) The cost of eligible machinery and equipment and related financing charges;

(e) The cost of engineering and architectural surveys, plans and specifications;

(f) The cost of financing charges and interest prior to and during construction, and if deemed advisable by the city for a period not exceeding one year after completion of construction; and

(g) The cost of consultant and legal services, other expenses necessary or incident to determining the feasibility or practicability of constructing a project, administrative and other expenses necessary or incident to the construction of the project, including, but not limited to, costs of relocation and moving expenses according to a project plan developed by the city, and the financing of the construction of the project thereof, including reimbursement to any state or other governmental agency or any lessee of such project for the expenditures made with the approval of the city that would be costs of the project under

ORS 280.410 to 280.485 had they been made directly by the city.

(5) "Low income" means an income not exceeding 80 percent of the prevailing median income, based on family size, within the city. [1977 c 772 §2; 1979 c.865 §1, 1981 c 368 §1]

280.415 Policy. The Legislative Assembly finds that:

(1) Cities with a population of 300,000 or more should be granted the powers granted to the state by ORS 280.310 to 280.397 in order to reduce substantially within their boundaries the occurrence of economic conditions requiring more expensive remedial action. There exist in Oregon's larger cities substantial adverse economic conditions requiring immediate remedial action. Such conditions include decreasing opportunities for gainful employment and lack of sites and facilities for orderly and necessary industrial growth. To meet the needs of these cities it is necessary to grant them full authority to issue industrial revenue bonds. It is the purpose of ORS 280.410 to 280.485 to authorize the exercise of such powers by cities with a population of 300,000 in addition to and not in lieu of any other powers such cities may possess.

(2) The lack of residential housing in the core and inner areas of Oregon's larger cities also is a cause of adverse economic conditions. Development of housing in such areas can be a factor which contributes to orderly economic growth by providing decent housing for workers necessary to attract and promote desirable industrial growth. Therefore it is also the purpose of ORS 280.410 to 280.485 to permit cities with a population of 300,000 or more authority to issue revenue bonds for housing purposes. The Legislative Assembly, in granting this authority, intends to increase Oregon's available housing stock. In exercising options under that authority, preference should be given by cities to those projects which add housing units through new construction or rehabilitation of nonresidential buildings. For low income single room occupancy housing, however, cities may renovate existing single room housing, convert nonresidential buildings or construct new buildings.

(3) Cities with a population of 100,000 or more suffer from a lack of available mortgage financing for the purchase of multiple unit homes in such cities. There is a need for a low-cost mortgage financing for multiple unit home purchasers in order to prevent urban decay and blight and to promote the economic well-being of those cities. [1977 c.772 §1; 1979 c 865 §2; 1981 c 368 §2]

280.417 Certain cities authorized to issue bonds for certain housing purposes. Notwithstanding ORS 280.410 (3), cities with a population of 100,000 or more may exercise the powers under ORS 280.410 to 280.485 to issue revenue bonds for the purposes of ORS 280.425 (3) and 280.430 (5). [1979 c.865 §2b]

280.420 Eligibility of projects for financing; standards; ordinance for applications. Prior to exercising any power granted by ORS 280.410 to 280.485 the governing body of a city shall:

(1) Adopt by ordinance standards to determine the eligibility of economic development projects. In determining such standards, the governing body shall consider all relevant data without giving priority to one factor over others. The governing body may consider but is not limited to the following:

(a) Density of use and potential impact in the area affected by the proposed project;

(b) City's ability to support other needed services resulting from economic development projects;

(c) Effect of economic development projects on balanced economic development of the city;

(d) Employment opportunities; and

(e) Suitability of various areas in the city for particular types of economic development projects.

(2) Adopt by ordinance procedures for the acceptance and processing of applications for consideration of the eligibility of economic development projects. The ordinance shall state what city officers shall receive such applications and shall provide for the content of any application form. [1977 c.772 §3]

280.422 Exception to eligibility standards. Low income single room occupancy housing projects need not meet the standards of an eligible project and any city standards adopted pursuant to ORS 280.410 to 280.485. [1981 c.368 §6]

280.424 Bond-financed single room occupancy rental housing to conform with federal law. Single room occupancy rental housing financed with bonds authorized by ORS 280.410, 280.415, 280.422 to 280.425, 280.431 and 280.442 must conform to the requirements of the Federal Mortgage Subsidy Bond Tax Act of 1980. [1981 c.368 §8]

280.425 City powers concerning property. In carrying out the provisions of ORS 280.410 to 280.485 a city may:

(1) Acquire, construct and hold in whole or in part any lands, buildings, easements, water and air rights, improvements to lands and buildings

and capital equipment to be located permanently or used exclusively on such lands or in such buildings, which are deemed necessary in connection with an eligible project to be situated within the city and construct, reconstruct, improve, better and extend such projects, and enter into contracts therefor.

(2) Sell and convey all properties acquired in connection with eligible projects, including without limitation the sale and conveyance thereof subject to any mortgage and the sale and conveyance thereof under an option granted to the lessee of the eligible project, for such price, and at such time as the city may determine. However, no sale or conveyance of such properties shall ever be made in such manner as to impair the rights of interests of the holder, or holders, of any bonds issued under the authority of ORS 280.410 to 280.485.

(3) Make or participate in the making of mortgage loans for multiple unit residential housing, including low income single room occupancy housing, to housing sponsors qualified under standards adopted by the city pursuant to ORS 280.410 to 280.485 to provide for the construction, substantial rehabilitation or permanent financing of multiple unit residential housing development and undertake commitments to make those mortgage loans.

(4) For mortgage loans under subsection (3) of this section and ORS 280.430 (5), purchase and sell those mortgage loans at public or private sale; modify or alter such mortgages; foreclose on any such mortgage or security interest or commence any action to protect or enforce any right conferred upon the city by any law, mortgage, security, agreement, contract or other agreement and bid for and purchase property that is subject to such mortgage or security interest at any foreclosure or other sale; acquire or take possession of any such property and complete, administer, pay the principal and interest on any obligations incurred in connection with such property and dispose of such property in such a manner as the city determines necessary to protect its interest under ORS 280.410 to 280.485. [1977 c.772 §5; 1979 c.865 §3; 1981 c.368 §3]

280.430 Contractual powers of city; requirements for project leases. In addition to any other powers granted by law or charter, a city may:

(1) Lease and sublease eligible projects to any person, firm or public or private corporation or federal or state governmental subdivision or agency. Such agreement shall provide that:

(a) The lessee shall operate, repair and maintain the project which is leased;

(b) Rents to be charged for the use of the projects shall be fixed, and revised from time to time as necessary, so as to produce income and revenue sufficient to provide for the prompt payment when due of principal of, and interest on, all bonds issued under ORS 280.410 to 280.485;

(c) The lease shall terminate not earlier than the date on which all bonds and all other obligations incurred by the local agency in connection with the project or projects leased shall be paid in full, including interest, principal and redemption premiums, if any, or adequate funds for such payment is deposited in trust;

(d) The lessee's obligation to pay rent shall not be subject to cancellation, termination or abatement by the lessee until payment of the bonds or provision for payments is made;

(e) The lessee shall be required to provide adequate insurance in the project and insurance against all liability for injury to persons or property arising from its operation; and

(f) The lessee shall pay all taxes and special assessments levied upon or with respect to the leased premises and payable during the term of the lease, during which term ad valorem taxes shall be assessed in the same amount and to the same extent as though the lessee were the owner of all real and personal property comprising the project;

(2) Acquire, sell and enter into instalment sale contracts for eligible projects and land sale contracts for eligible projects;

(3) Pledge and assign to the holders of such bonds or a trustee therefor all or any part of the revenues of one or more eligible projects owned or to be acquired by the city and define and segregate such revenues or provide for the payment thereof to a trustee;

(4) Mortgage or otherwise encumber eligible projects in favor of the holders of such bonds or a trustee therefor. However, in creating any such mortgages or encumbrances the city can not obligate itself except with respect to the project;

(5) Purchase, service, sell and make commitments to purchase, service and sell mortgage loans originated by private lending institutions for residential housing for owner-occupied dwelling units in the form of condominium or cooperative interests in multiple unit housing projects located within the areas specified in ORS 280.410 (1)(b) to persons whose income does not exceed 150 percent of the prevailing median income for families within the city, whether or not the projects are financed in whole or in part pursuant to ORS 280.410 to 280.485. A city shall equitably

allocate the origination and servicing of mortgages under this subsection to private lending institutions in accordance with standards adopted by the city;

(6) Make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers granted by this section, or in the performance of its covenants or duties, or in order to secure the payment of its bonds, including a contract entered into prior to the construction, acquisition and installation of the eligible project authorizing the lessee, subject to such terms and conditions as the city shall find necessary or desirable and proper, to provide for the construction, acquisition and installation of the buildings, improvements and equipment to be included in the project by any means available to the lessee and in the manner determined by the lessee, and without advertisement for bids as may be required for the construction, acquisition or installation of other public facilities;

(7) Perform any other duties that the city considers necessary in carrying out ORS 280.410 to 280.485, including but not limited to, efforts to minimize the effects of displacement of residents resulting from projects financed under ORS 280.425 (3);

(8) Enter into and perform such contracts and agreements with political subdivisions and state agencies as the respective governing bodies of the same may consider proper and feasible for or concerning the planning, construction, installation, lease, or other acquisition, and the financing of such facilities, which contracts and agreements may establish a board, commission or such other body as may be deemed proper for the supervision and general management of the facilities of the eligible project; and

(9) Accept from any authorized agency of the Federal Government loans or grants for the planning, construction, acquisition, leasing, or other provision of any eligible project, and enter into agreements with such agency respecting such loans or grants. [1977 c.772 §4; 1979 c.865 §4]

280.431 Required condition of purchase for low income single room housing project. Low income single room occupancy housing projects shall not be sold to any purchaser who does not agree as a condition of purchase to maintain the property as low income single room occupancy housing for at least 30 years or the term of the mortgage, whichever period is shorter. [1981 c.368 §7]

280.432 Limitations on housing loans from bond proceeds; discrimination; relocation; conversion. (1) Cities, in purchasing or servicing or making commitments to purchase or service residential mortgage loans under ORS 280.430 (5), shall not participate in the refinancing of housing by existent owners or purchasers of that housing and shall not allow the assumption of those loans by persons not eligible for them.

(2) No owner-purchaser shall have more than one mortgage loan under ORS 280.430 (5) outstanding at any time.

(3) No city shall make or participate in the making of a mortgage loan to a multiple unit residential housing project under ORS 280.425 (3) unless the housing sponsor has agreed to not discriminate against any dwelling unit purchaser or tenant who is a parent or legal guardian with whom a child resides or is expected to reside. This subsection shall not apply to housing projects occupied exclusively by households, the heads of which are 62 years of age or older.

(4) Regardless of the ownership of property used for a multiple unit housing project financed under ORS 280.425 (3), a city shall, in financing the project, provide a plan for relocation of displaced persons.

(5) A city shall not finance projects under ORS 280.425 (3) which result in the conversion of existing occupied residential rental units to cooperative or condominium projects. [1979 c.865 §2d]

280.435 Limitation on city power. Except as provided in ORS 280.425 (2), the city shall not have power to operate any eligible project as a business or in any manner whatsoever, and nothing in ORS 280.410 to 280.485 authorizes the city to expend any funds on any eligible project, other than the revenues of such projects, or the proceeds of revenue bonds issued hereunder, or other funds granted to the city for the purposes of an eligible project. [1977 c.772 §6]

280.440 Authority to issue revenue bonds. (1) A city may authorize and issue revenue bonds secured by revenues from eligible economic development projects to finance or refinance in whole or part the cost of acquisition, construction, reconstruction, improvement or extension of projects. The bonds shall be identified by project.

(2) A city may also authorize and issue revenue bonds secured by revenues from mortgage payments by purchasers of units within multiple unit housing projects. Such housing bonds need not be identified by project but may include more than one project or purpose within a single bond issue.

(3) In issuing bonds under this section, the city shall designate an underwriter, trustee and

bond counsel and enter into appropriate agreements with each to carry out the provisions of ORS 280.410 to 280.485. The bonds shall be issued in the manner prescribed by law and refunding bonds may be issued to refinance such revenue bonds. [1977 c.772 §7; 1979 c.865 §5]

280.442 Limitations on amount of bonds for certain housing purposes. The total amount of bonds issued by each city with a population of more than 100,000 but less than 300,000 for the purposes of permanent financing of projects under ORS 280.425 (3) and for the purposes of ORS 280.430 (5) shall not exceed $12 million. [1979 c.865 §2c, 1981 c.368 §4; 1987 c.696 §1]

280.445 Determining factors in bond issuance. In determining whether to issue revenue bonds under ORS 280.410 to 280.485, the governing body of the city shall consider:

(1) The bond market for the types of bonds proposed for issuance.

(2) The terms and conditions of the proposed issue.

(3) Whether the lessee or purchaser is financially responsible and fully capable and willing to fulfill its obligations under the agreement of lease, or contract, including the obligation to pay rent in the amounts and at the times required, the obligation to operate, repair and maintain at its own expense the project leased, or sold, and to serve the purposes of ORS 280.410 to 280.485 and such other responsibilities as may be imposed under the lease or contract. In determining financial responsibility of the lessee or purchaser, consideration shall be given to the lessee's or purchaser's ratio of current assets to current liabilities, net worth, earning trends, coverage of all fixed charges, the nature of the industry or business involved, its inherent stability, any guarantee of the obligations by some other financially responsible corporation, firm or person, and other factors determinative of the capability of the lessee or purchaser, financially and otherwise, to fulfill its obligations consistently with the purposes of ORS 280.410 to 280.485.

(4) Such other relevant factors as the governing body considers necessary to protect the financial integrity of the city. [1977 c 772 §8]

280.450 Issuance of bonds. Bonds authorized under ORS 280.410 to 280.485 shall be issued in accordance with the provisions of the charter of the city relating to bonds payable from income of revenue producing facilities. Bond issues may mature at any time within 40 years from the date of issue, may be sold at public or private sale and shall be sold in accordance with the provisions of ORS 288.515 to 288.600. [1977 c.772 §9; 1979 c.865 §6; 1981 c.94 §16]

280.455 Administrative expenses. The administrative expenses of the city with respect to bonds issued under ORS 280.410 to 280.485 shall be charged against bond proceeds or project revenues. [1977 c.772 §10]

280.460 Refunding bonds. The city shall have the power, whenever it deems refunding expedient, to refund any bonds issued under ORS 280.410 to 280.485 by the issuance of new bonds, whether the bonds to be refunded have or have not matured. The refunding bonds may be exchanged for bonds to be refunded and the proceeds applied to the purchase, redemption or payment of such bonds. [1977 c.772 §11]

280.465 Validity of bonds. The validity of bonds issued under ORS 280.410 to 280.485 shall not be dependent on or be affected by the validity or regularity of any proceeding relating to the acquisition, purchase, lease, construction, installation, reconstruction, improvement, betterment or extension of the eligible project for which the bonds are issued. The official action authorizing such bonds may provide that the bonds shall contain a recital that they are issued pursuant to ORS 280.410 to 280.485 and such recital shall be conclusive evidence of their validity and of the regularity of their issuance. [1977 c.772 §12]

280.470 Covenants in bonds. The official action authorizing the issuance of bonds under ORS 280.410 to 280.485 to finance or refinance in whole or in part, the acquisition, construction, installation, reconstruction, improvement, betterment or extension of any eligible project may contain covenants, notwithstanding that such covenants may limit the exercises of powers conferred by ORS 280.410 to 280.485 in the following respects and in such other respects as the city may decide:

(1) The rents to be charged for the use of properties acquired, constructed, installed, reconstructed, improved, bettered or extended under the authority of ORS 280.410 to 280.485;

(2) The use and disposition of the revenues of such projects;

(3) The creation and maintenance of sinking funds and the regulation, use and disposition thereof;

(4) The creation and maintenance of funds to provide for maintaining the eligible project and replacement of properties depreciated, damaged, destroyed or condemned;

(5) The purpose or purposes to which the proceeds of sale of bonds may be applied and the use and disposition of such proceeds;

(6) The nature of mortgages or other encumbrances on the eligible project made in favor of the holder or holders of such bonds or a trustee therefor;

(7) The events of default and the rights and liabilities arising thereon and the terms and conditions upon which the holders of any bonds may bring any suit or action on such bonds or on any coupons appurtenant thereto;

(8) The issuance of other or additional bonds or instruments payable from or constituting a charge against the revenue of the eligible project;

(9) The insurance to be carried upon the eligible project and the use and disposition of insurance moneys;

(10) The keeping of books of account and the inspection and audit thereof;

(11) The terms and conditions upon which any or all of the bonds shall become or may be declared due before maturity and the terms and conditions upon which such declaration and its consequences may be waived;

(12) The rights, liabilities, powers and duties arising upon the breach by the municipality or redevelopment agency of any covenants, conditions or obligations;

(13) The appointing of and vesting in a trustee or trustees of the right to enforce any covenants made to secure or to pay the bonds; the powers and duties of such trustee or trustees, and the limitation of their liabilities;

(14) The terms and conditions upon which the holder or holders of the bonds, or the holders of any proportion or percentage of them, may enforce any covenants made under ORS 280.410 to 280.485;

(15) A procedure by which the terms of any official action authorizing bonds or of any other contract with bondholders, including but not limited to an indenture of trust or similar instrument, may be amended or abrogated, and the amount of bonds the holders of which may consent thereto, and the manner in which such consent may be given; and

(16) The subordination of the security of any bonds issued under ORS 280.410 to 280.485 and the payment of principal and interest thereof, to the extent deemed feasible and desirable by the city, to other bonds or obligations of the city issued to finance the eligible project or that may be outstanding when the bonds thus subordinated are issued and delivered. [1977 c.772 §13]

280.475 Limitations of bonds; recitals. (1) Revenue bonds issued under ORS 280.410 to 280.485:

(a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the payment thereof, except as provided in this section, nor shall the city be subject to any liability thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the taxing power of the city to pay any such bonds or the interest thereon, nor to enforce payment thereof against any property of the city except those projects or portions thereof, mortgaged or otherwise encumbered under the provisions and for the purposes of ORS 280.410 to 280.485.

(b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the city, except those eligible projects, or portions thereof, mortgaged or otherwise encumbered, under the provisions and for the purposes of ORS 280.410 to 280.485.

(2) Each bond issued under ORS 280.410 to 280.485 shall recite in substance that the bond, including interest thereon, is payable solely from the revenue pledged to the payment thereof, and that no such bond shall constitute a debt of the city or a lending of the credit of the city within the meaning of any constitutional or statutory limitation. However, nothing in ORS 280.410 to 280.485 is intended to impair the rights of holders of bonds to enforce covenants made for the security thereof as provided in ORS 280.480. [1977 c.772 §14]

280.480 Powers and rights of bondholders. Subject to any contractual limitation binding upon the holders of any issue of revenue bonds, or a trustee therefor, including but not limited to the restriction of the exercise of any remedy to a specified proportion or percentage of such holders, any holder of bonds, or any trustee therefor, for the equal benefit and protection of all bondholders similarly situated, may:

(1) By action or proceeding for legal or equitable remedies, enforce their rights against the city and any of its officers, agents and employes, and may require and compel the city or any such officers, agents or employes to perform and carry out its and their duties and obligations under ORS 280.410 to 280.485 and its and their covenants and agreements with bondholders;

(2) By action, require the city to account as if it was the trustee of an express trust;

(3) By action, enjoin any acts or things which may be unlawful or in violation of the right of the bondholders;

(4) Bring action upon the bonds;

(5) Foreclose any mortgage or lien given under the authority of ORS 280.410 to 280.485 and cause the property standing as security to be sold under any proceedings permitted by law or equity; and

(6) Exercise any right or remedy conferred by ORS 280.410 to 280.485 without exhausting and without regard to any other right or remedy conferred by ORS 280.410 to 280.485 or any other law of this state, none of which rights and remedies is intended to be exclusive of any other, and each is cumulative and in addition to every other right and remedy. [1977 c 772 §15, 1979 c 284 §131]

280.482 Report required; content. A city shall report to the State Housing Council and the Legislative Assembly, not later than February 1 of each odd-numbered year on the disposition within that city of the proceeds of bonds issued for the purposes of ORS 280.425 (3) and ORS 280.430 (5). The report shall, as a minimum, identify the population, income levels and areas served by the housing program, the length of residence in dwellings purchased under the program and the degree to which the city considers the program's initial objectives have been achieved. The report shall be reviewed by the State Housing Council and the council shall make its comments on the report known to the city and the Legislative Assembly. [1979 c.865 §7]

280.485 Effect of ORS 280.410 to 280.485 on powers of city. ORS 280.410 to 280.485 is additional, alternative and supplemental authority for cities with a population of 300,000 or more and shall not abrogate any power, right or authority otherwise granted by law or charter to such cities. [1977 c.772 §16]

(Counties)

280.500 County economic development plan; criteria. In addition to, and not in lieu of, any of the powers granted counties under the laws of this state, a county may develop and implement a program of economic development. To do so, a county shall have the power to:

(1) Following public hearings, adopt an economic development plan, either through its own efforts or in combination with other public bodies and advisory committees, which plan, if adopted, shall:

(a) Recognize and reflect the need for adequate employment and income for residents, considering both present and expected future population levels.

(b) Clearly state community economic goals and provide a detailed program to carry out those goals.

(c) Be based on an analysis of the present and expected future economic base, which analysis shall consider, but not be limited to, natural resources, human resources, industrial and commercial structure, land use and ownership, public facilities and services, transportation, housing, availability of capital and regional economic interactions.

(d) Provide industrial and commercial sites suitable for the expected future amount and type of growth and expansion and appropriate for their intended purpose, site size and site distribution, transportation access and available services.

(e) Stress cost-effectiveness and the need for a timely government response to private sector development efforts.

(f) Set forth the boundaries the economic development plan encompasses, if different from county boundaries.

(2) Assemble, hold and develop sites and facilities for industrial and commercial activities as provided in ORS 271.510 to 271.540, with the power to make available real property to private or public entities at a value determined by the county to be its fair market value. [1979 c 182 §1]

280.505 Coordination of plan with other local governments and plans. In developing and implementing a plan of economic development under ORS 280.500, a county shall:

(1) Provide that each city within the plan boundaries may by resolution of the city governing body become a part of, or exclude itself from, the economic development plan within the city.

(2) Assure that all city governing bodies wishing to participate are fairly represented in the development of an economic development plan.

(3) Assure that an economic development plan considers and is coordinated with the economic development programs of cities, port districts and other public entities.

(4) Assure that the economic development plan considers and is coordinated with all relevant local comprehensive plans and planning efforts. [1979 c.182 §2]

COMMUNITY DEVELOPMENT BANK FUND

280.507 Definitions for ORS 280.507 to 280.517. As used in ORS 280.507 to 280.517:

(1) "Department" means the Economic Development Department.

(2) "Fund" means the Community Development Bank Fund. [1987 c 584 §2]

280.510 Findings; purpose. (1) The Legislative Assembly finds that:

(a) Local government is experiencing increasing difficulty in obtaining necessary financing for eligible community development projects, such as public works projects, causing project delays and significant increased costs to property owners and municipalities.

(b) The improvement, expansion and new construction of eligible community development projects contributes to orderly economic growth by providing the framework necessary to attract industry to this state and to promote increased employment opportunities and other community improvements which are for the benefit of the people of Oregon.

(c) It is important, therefore, that state agencies authorized to distribute state or federal funds for such improvements be able to provide programs and allocate moneys that will provide the greatest impetus to community development opportunities in Oregon.

(2) Since municipalities in this state often suffer from a lack of available financing for eligible community development projects, it is the purpose of ORS 280.507 to 280.517 to provide financial assistance to municipalities in order that they may develop and construct community development projects and may construct, improve and repair facilities necessary for orderly community development. [1987 c.584 §1]

280.513 Community Development Bank Fund; investments; administration; costs. (1) There is established in the State Treasury, separate and distinct from the General Fund, the Community Development Bank Fund. All moneys in the fund are continuously appropriated to provide financing for community development projects.

(2) Moneys in the Community Development Bank Fund, with the approval of the State Treasurer, may be invested as provided by ORS 293.701 to 293.776, 293.810 and 293.820, and the earnings from such investments and other program income shall be credited to the Community Development Bank Fund.

(3) The Community Development Bank Fund shall consist of:

(a) Moneys appropriated to the fund by the Legislative Assembly.

(b) Recaptured moneys from the Oregon Community Development Grant Program.

(c) Interest earnings on moneys loaned to cities and counties under the Oregon Community Development Grant Program for short-term financing of community development projects.

(d) Repayment of loans to municipalities made under the Oregon Community Development Grant Program, including interest earnings.

(4) The department, or the agency assigned principal responsibility for administration of the moneys received from the federal Housing and Urban Development Community Development Block Grant Program for Small Cities, shall be the agency for the State of Oregon for the administration of the fund.

(5) The department shall adopt rules and policies for the administration of the fund.

(6) The department may establish a program for short-term financing of eligible community development projects using federal Community Development Block Grant moneys allocated to the state but not yet drawn from the federal treasury.

(7) The department may charge program administrative costs to the fund to pay for administrative expenses incurred to the department for processing applications and investigating community development projects. [1987 c.584 §3]

280.515 Use of funds. All payments, receipts and interest from outstanding indebtedness shall be retained and accumulated in the Community Development Bank Fund and used for the purposes specified in ORS 280.510. [1987 c 584 §4]

280.517 Application of federal statutes. All federal overlay statutes associated with moneys received from the federal Housing and Urban Development Community Development Block Grant Program for Small Cities shall continue to apply to the use of those moneys in the fund received from sources described in ORS 280.513 (3)(c) and (d). [1987 c.584 §5]

BUSINESS DEVELOPMENT PROJECTS

280.520 Definitions for ORS 280.520 to 280.585. As used in ORS 280.520 to 280.585, unless the context requires otherwise:

(1) "Commission" means the Economic Development Commission appointed under ORS 184.006.

(2) "Business development project" means the acquisition, engineering, improvement, rehabilitation, construction, operation or maintenance of any property, real or personal, that is used or is suitable for use by an economic enterprise and that will result in, or will aid, promote or facilitate, development of one or more of the following activities:

(a) Manufacturing or other industrial production;

(b) Agricultural development or food processing;

(c) Aquacultural development or seafood processing;

(d) Development or improved utilization of natural resources;

(e) Convention facilities and trade centers;

(f) Transportation or freight facilities; and

(g) Other activities that represent new technology or type of economic enterprise the commission determines is needed to diversify the economic base of an area but not including:

(A) Construction of office buildings, including corporate headquarters; and

(B) Retail businesses, shopping centers or food service facilities.

(3) "Director" means the Director of the Economic Development Department appointed under ORS 184.135.

(4) "Fund" means the Oregon Business Development Fund.

(5) "Collateral" means property subject to a security interest, as defined in ORS 79.1050.

(6) "Municipality" means any city, municipal corporation or quasi-municipal corporation.

(7) "Person" means any individual, association of individuals, joint venture, partnership or corporation.

(8) "Local development group" means any public or private corporation which has as one of its primary purposes, as stated in its articles of incorporation, charter or bylaws, the promotion of economic development in any part of the State of Oregon.

(9) "Applicant" means any county, municipality, person or any combination of counties, municipalities or persons applying for a loan from the Oregon Business Development Fund under ORS 280.520 to 280.585. [1981 c.286 §1; 1983 c 41 §3]

280.522 Borrowing money from Oregon Business Development Fund for projects. (1) Any county, municipality, person or any combination of counties, municipalities and persons may file with the commission an application to borrow money from the Oregon Business Development Fund for a business development project as provided in ORS 280.520 to 280.585. The application shall be filed in such a manner and contain or be accompanied by such information as the commission may prescribe.

(2) Any applicant receiving a loan from the Oregon Business Development Fund shall annually report to the Economic Development Department the estimated number of jobs created as a result of the business development project financed under ORS 280.520 to 280.585. The reporting requirement under this section shall continue for five years following the receipt of the loan proceeds or for the life of the loan, whichever period is longer. Agreement to comply with the requirements of this section shall be a condition for obtaining a loan from the Oregon Business Development Fund. [1981 c.286 §2; 1983 c.41 §4]

280.523 Application to affected city or county. Upon receipt of an application under ORS 280.522, the commission shall forward copies of the application to the governing body of the city or county in which the proposed business development project is to be located. An application filed by a county or city under ORS 280.522 shall be exempt from this requirement and the provisions of ORS 280.532 (1)(e) and (f). [1983 c.41 §2]

280.525 Evaluation of project by commission; fee. (1) Upon receipt of an application under ORS 280.522, the commission shall determine whether the plans and specifications for the proposed business development project set forth in or accompanying the application are satisfactory. If the commission determines that the plans and specifications are not satisfactory, it shall:

(a) Reject the application with a written statement of the reason for that rejection; or

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

(2) The commission shall charge and collect from the applicant, at the time the application is filed, a fee not to exceed $100. Moneys referred to in this subsection shall be paid into the Oregon Business Development Fund. [1981 c.286 §3; 1983 c.41 §4a]

280.530 [1981 c 286 §4; repealed by 1983 c 41 §14]

280.532 Conditions for commission approval of project; preferences; limits. (1) The commission may approve a business development project proposed in an application filed under ORS 280.520 to 280.585 if, after investigation, it finds that:

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

(b) The applicant can provide good and sufficient collateral for the loan.

(c) Moneys in the Oregon Business Development Fund are or will be available for the proposed business development project.

(d) There is a need for the proposed business development project, and the applicant's financial resources are adequate to assure success of the project.

(e) If the proposed project is to be located in an incorporated city, the governing body of that city has executed a resolution recommending the proposed project.

(f) If the proposed project is to be located outside any incorporated city, the governing body of the county in which the project is to be located has executed a resolution recommending the proposed project.

(g) The applicant has not received or entered into a contract or contracts exceeding $250,000 with the commission, under authority of ORS 280.520 to 280.585, for the previous 365 days, nor are there more than $1.5 million in outstanding loans with the commission at any one time for business development projects located in the same county as the proposed project.

(2) Preference shall be given to a business development project which has a high ratio of employment to the amount of money sought to be borrowed from the Oregon Business Development Fund, which benefits businesses with fewer than 50 employes or which is located within a rural area of the state or within an economically lagging area certified by the Governor pursuant to ORS 284.255 (1) to (4). Consideration also shall be given to the extent of participation by local development groups, and the availability and cost of money to the applicant from, or through, commercial lending or financial institutions, or other financial sources, inasmuch as the Oregon Business Development Fund is intended to complement, not supplant, other sources of money for economic development.

(3) The total amount of moneys loaned from the fund for any business development project shall not exceed 40 percent of the cost of the project. Working capital equity contributed by the applicant or a related party shall not be included in the calculation of total project costs.

(4) Except in cases where the applicant is a county or municipality, no money shall be loaned from the fund for any business development project unless there exists a commitment from a commercial or private lender, or a local development group, to participate in the financing of the project.

(5) To encourage private sector and local development group participation in the financing of business development projects, the commission may subordinate the security position of the fund to that of other lenders.

(6) In each fiscal year of a biennium, not less than 15 percent of all moneys available for lending from the Oregon Business Development Fund are reserved for loans to businesses owned and operated by women and minorities, as determined by the Economic Development Commission. Any amounts reserved for loans to such businesses that are not loaned in one fiscal year shall be added to the amount reserved for loans to such businesses in the subsequent fiscal year. [1981 c 286 §5, 1983 c 41 §5, 1985 c 806 §8; 1987 c 769 §15]

280.535 Agreement for project loan; required provisions. If the commission approves the business development project, it, on behalf of the state, and the applicant may enter into a loan contract of not more than $250,000, secured by good and sufficient collateral, which shall set forth, among other matters:

(1) A plan for repayment by the applicant to the Oregon Business Development Fund moneys borrowed from the fund used for the business development project with interest charged on those moneys at the rate of not less than one percentage point less than the prevailing interest rate on United States Treasury bills, notes or bonds of a comparable term, as determined by the commission. The repayment plan, among other matters:

(a) Shall provide for commencement of repayment by the applicant of moneys used for the business development project and interest thereon no later than one year after the date of the loan contract or at such other time as the commission may provide.

(b) May provide for reasonable extension of the time for making any repayment in emergency or hardship circumstances if approved by the commission.

(c) Shall provide for such evidence of debt assurance of, and security for, repayment by the applicant as is considered necessary by the commission.

(d) Shall set forth a schedule of payments and the period of loan which shall not exceed the usable life of the contracted project or 25 years from the date of the contract, whichever is less, and shall also set forth the manner of determining when loan payments are delinquent. The payment schedule shall include repayment of interest which accrues during any period of delay in repayment authorized by paragraph (a) of this subsection, and the payment schedule may

require payments of varying amounts for collection of accrued interest.

(e) Shall set forth a procedure for formal declaration of default of payment by the commission, including formal notification of all relevant federal, state and local agencies; and further, a procedure for notification of all relevant federal, state and local agencies that declaration of default has been rescinded when appropriate.

(2) Provisions satisfactory to the commission for field engineering and inspection, the commission to be the final judge of completion of the contract.

(3) That the liability of the state under the contract is contingent upon the availability of moneys in the Oregon Business Development Fund for use in the business development project.

(4) Such further provisions as the commission considers necessary to insure expenditure of the funds for the purposes set forth in the approved application.

(5) That the commission may institute appropriate action or suit to prevent use of the facilities of a business development project financed by the Oregon Business Development Fund if the applicant is delinquent in the repayment of any moneys due the fund. [1981 c.286 §6; 1983 c.41 §6, 1985 c.806 §9]

280.540 Payment of moneys for project; applicant to pay percentage of loan principal to Oregon Business Development Fund. (1) If the commission approves a loan for a business development project and the applicant has received all necessary permits required by federal, state and local agencies, the commission shall pay moneys for the project from the Oregon Business Development Fund, in accordance with the terms of the loan contract as prescribed by the commission.

(2) Immediately upon receiving the loan proceeds, the applicant shall pay to the commission one and one-half percent of the principal amount of the loan, to be paid back to the Oregon Business Development Fund. A maximum of three percent of the principal amount of the loan may be paid from the fund to local development groups for the purposes set forth in ORS 280.575 (1)(a). [1981 c 286 §7; 1983 c.41 §6a, 1985 c 806 §10]

280.542 Authority to obtain moneys to repay fund. Any county or municipality that enters into a contract with the commission for a business development project and repayment as provided in ORS 280.535 may obtain moneys for repayment to the Oregon Business Development Fund under the contract in the same manner as other moneys are obtained for purposes of the county or municipality or other moneys available to the developer. [1981 c 286 §8; 1983 c.41 §7]

280.545 Authority of commission to receive gifts. The commission may accept gifts of money or other property from any source, given for the purposes of ORS 280.520 to 280.585. Money so received shall be paid into the Oregon Business Development Fund. Property so received shall be used for the purposes of the Oregon Business Development Fund. [1981 c.286 §9; 1983 c.41 §7a]

280.550 Rules. In accordance with any applicable provisions of ORS 183.310 to 183.550, the commission may make such rules as it considers necessary to carry out its duties, functions and powers under ORS 280.520 to 280.585. [1981 c.286 §10]

280.552 Report required. The commission shall submit to the Legislative Assembly and the Governor a biennial report of the transactions of the Oregon Business Development Fund in such detail as will adequately indicate the condition of the fund. [1981 c.286 §11, 1983 c.41 §7b]

280.555 Authority of commission to appoint director as agent. The commission may appoint the director as its representative and agent in all matters pertaining to ORS 280.520 to 280.585. The director shall assure that all provisions of ORS 280.520 to 280.585 are complied with and that appropriately trained personnel are employed to properly administer the fiscal and other portions of ORS 280.520 to 280.585. [1981 c.286 §12]

280.560 Use of refinancing and other financial assistance. Except as provided in ORS 280.565, if any business development project is refinanced or financial assistance is obtained from other sources after the execution of the loan from the state, those shall be first used to repay the state, unless provided otherwise by the commission, if the refinancing or financial assistance applies only to the business development project authorized and does not include any subsequent addition, expansion, improvement or further development. [1981 c.286 §13; 1983 c 41 §8]

280.565 Authority of commission to loan funds for joint governmental projects or match money; form of loan application; loan limit. (1) The commission may authorize funds from the Oregon Business Development Fund to be used in appropriate joint governmental participation projects or as match money with any municipally, county, state or federally funded business development project authorized within a

county or city, subject to the stipulations of ORS 280.520 to 280.585.

(2) Any application for a loan under this section shall be in such form as the commission prescribes and shall furnish such proof of federal, state or local approval as appropriate for funding of the business development project.

(3) The total amount of moneys loaned from the fund for federal, state or local joint business development project purposes shall not exceed $250,000 per project. [1981 c 286 §14; 1983 c 41 §9]

280.570 Loan contract; required provisions. If the commission approves an application for the loan of moneys authorized by ORS 280.565, the commission shall enter into a loan contract, secured by good and sufficient collateral, with the applicant that provides, among other matters:

(1) That the loan bear interest at the same rate of interest as provided in ORS 280.535 (1).

(2) That the contract shall set forth a schedule of payments including interest and principal for the period of the loan, which shall not exceed the usable life of the contracted project or 25 years from the date of the contract, whichever is less, and shall set forth the manner of determining when loan payments are delinquent. The same schedule shall include repayment of interest which accrues during any period of delay in repayment authorized by ORS 280.520 to 280.585, and the repayment schedule may require payments of varying amounts for collection of that accrued interest. However, the commission 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 applicant and the security will not be impaired thereby.

(3) Such provisions as the commission considers necessary to insure expenditure of the moneys loaned for the purposes provided in ORS 280.565, including all provisions of ORS 280.532. [1981 c 286 §15; 1983 c 41 §10]

280.575 Oregon Business Development Fund; uses of fund. (1) There is created within the State Treasury a revolving fund known as the Oregon Business Development Fund, separate and distinct from the General Fund. Moneys in this fund are continuously appropriated to the Economic Development Commission for the following purposes:

(a) Administrative expenses of the commission in processing applications, investigating proposed business development projects and servicing outstanding loans. In any one year, administrative expenses charged under this paragraph may not be greater than the total revenues received in that year from fees provided for in paragraph (a) of subsection (2) of this section, plus five percent of the total asset value of the fund.

(b) Payment of loans to applicants under ORS 280.520 to 280.585.

(c) Transfers of moneys as provided in ORS 280.395 (4)(a).

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

(a) Fees required by ORS 280.525 (2) and 280.540 (2).

(b) Repayment of moneys loaned to counties, municipalities or persons from the Oregon Business Development Fund, including interest on those moneys.

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

(d) Moneys obtained from any interest accrued from funds.

(e) Moneys from any gift made under ORS 280.545.

(f) Moneys from any grant made to the fund by any federal agency. [1981 c.286 §16; 1983 c.41 §11; 1983 c 459 §16, 1985 c 806 §15]

280.580 Retention and use of payments, receipts and interest. All payments, receipts and interest from outstanding indebtedness or any other source shall be retained and accumulated in the Oregon Business Development Fund and shall be used for the purposes of the fund. [1981 c 286 §17, 1983 c.41 §12]

280.585 Status of loan to county or municipality. A loan made to a county or municipality under ORS 280.520 to 280.585 shall not be a general obligation of that county or municipality, nor a charge upon the tax revenues of that county or municipality, nor a charge upon any other revenues or property of that county or municipality not specifically pledged thereto. A loan made to a county or municipality under ORS 280.520 to 280.585 may be secured by the business development project for which the loan is made, as well as by any revenues derived from that project, and any nontax-derived revenues or property of the county or municipality not otherwise pledged or committed for other purposes. A county or municipality may repay any portion of a loan incurred under ORS 280.520 to 280.585 from any funds available to it. [1981 c 286 §18; 1983 c 41 §13]

280.610 [1977 c.839 §1; 1979 c 182 §9; repealed by 1987 c.769 §20]

280.620 [1977 c.839 §2; repealed by 1987 c 769 §20]

280.630 [1977 c.839 §3, 1979 c 412 §3, repealed by 1987 c 769 §20]

280.640 [1977 c 839 §4; repealed by 1987 c.769 §20]

280.645 [1979 c 412 §2, repealed by 1987 c.769 §20]

280.650 [1977 c 839 §5, 1979 c 182 §10; 1979 c.412 §4a; 1985 c.806 §18; repealed by 1987 c.769 §20]

280.660 [1977 c.839 §6; repealed by 1987 c 769 §20]

280.670 [1977 c 839 §6a, repealed by 1987 c.769 §20]

ECONOMIC EMERGENCY ASSISTANCE

280.710 Definitions for ORS 280.710 to 280.740. As used in ORS 280.710 to 280.740:

(1) "Community" means an area or locality in which the body of inhabitants has common economic or employment interests and which is undergoing an economic emergency. The term is not limited to a city, county or other political subdivision and need not, but may be, limited by political lines and boundaries. A large populous area under one or more forms of government may be composed of several communities.

(2) "Economic emergency" means the closure or impending closure, other than a seasonal closure, of one or more businesses that has caused or will probably cause a substantial increase in unemployment, as defined in the rules of the Economic Development Commission, within the community when the business or businesses can reasonably be expected to remain closed for a period of at least four months. [1981 c 505 §1]

280.715 Appointment of local economic action team. (1) Prior to application for assistance under ORS 280.710 to 280.740, the governing body of the community shall appoint a local economic action team. If a community is within the jurisdiction of more than one city or county, the city councils and boards of county commissioners having jurisdiction within the community shall jointly appoint the local economic action team.

(2) Individuals appointed to the local economic action team shall be citizen volunteers from the community, including representatives of small business, the professions, management and labor and government officials. [1981 c.505 §2]

280.720 Application for assistance; form; determination of eligibility. (1) A community may apply to the Economic Development Commission for assistance under ORS 280.710 to 280.740.

(2) An application under this section shall include:

(a) A statement prepared by the local economic action team specifically describing the economic emergency affecting the applicant.

(b) A certification by the governing body of the applicant that the applicant is a community requiring assistance under ORS 280.710 to 280.740.

(3) Applications for assistance under ORS 280.710 to 280.740 shall be processed in the order received.

(4) Not later than the 45th day after receipt of an application under this section, the Economic Development Commission shall determine whether or not the applicant meets the requirements for eligibility for assistance under ORS 280.710 to 280.740. As part of its determination, the commission may modify the boundaries and area of the community described in the application. The Economic Development Commission shall recommend to the Governor those communities eligible for emergency assistance. Based upon the findings of the commission, the Governor shall declare eligibility for emergency assistance within 10 days after receipt of the commission's recommendation. [1981 c.505 §3]

280.725 State economic advisory team; purpose of team. (1) The Governor shall cause to have prepared and maintained a list of agency representatives who may be designated as members of a state economic advisory team. Agency representatives so listed shall be informed of the possibility of being called into service on a team and shall receive information necessary to enable them to perform the tasks assigned them under ORS 280.710 to 280.740.

(2) The Department of Economic Development shall be designated as the lead agency of the state's economic advisory team and coordinator of the state's response under ORS 280.710 to 280.740.

(3) The purpose of a state economic advisory team is to assist the local economic action team appointed under ORS 280.715 in developing recommendations for economic adjustment for any community eligible for assistance under ORS 280.710 to 280.740.

(4) Involvement of a state economic advisory team shall terminate:

(a) When the economic adjustment strategy prepared under ORS 280.740 is prepared; or

(b) At any other time as the Governor determines.

(5) The Department of Economic Development shall continue to provide assistance in implementing the economic adjustment strategy. [1981 c 505 §4]

280.730 Report on community declared eligible for assistance. After determining that an applicant is a community eligible for assistance under ORS 280.710 to 280.740, the Economic Development Commission shall notify such state agencies as it deems appropriate that the community is so eligible. Each notified state agency shall forward to the commission, not later than 10 working days after receipt of notification, a brief summary report containing:

(1) An inventory of the agency's current involvement in the community;

(2) A statement of what programs, projects, expenditures or other forms of assistance the agency can provide to the community. The statement shall include a list of immediate action which may be taken to increase the impact of the agency within the community, either by acceleration of project timetables or by redirection of project resources into the community; and

(3) Other appropriate recommendations. [1981 c 505 §5]

280.735 State economic advisory team for each community determined eligible for assistance; duties of team. (1) After determining that an applicant is a community eligible for assistance under ORS 280.710 to 280.740, the Economic Development Commission shall appoint, with the approval of the Governor, agency representatives from the list prepared under ORS 280.725 to a state economic advisory team for the community. The number of members on the team shall be determined by the commission. However, the team shall include at least one member from the Economic Development Department, one member from the Employment Division, one member from the Economic Development Department and a representative experienced in federal grant application procedures.

(2) The state agency administrator whose employe is named to the state advisory team under subsection (1) of this section shall release the employe for service under the direction of the Governor for purposes of providing services under ORS 280.710 to 280.740 without affecting any of the rights of such employe.

(3) The duties of a state economic advisory team appointed under this section include:

(a) Facilitating the state's response to the economic emergency in a community;

(b) Obtaining assistance for a community from appropriate federal, state, local and private organizations; and

(c) Coordinating other forms of state assistance to a community. [1981 c 505 §6]

280.740 Duties of teams; time limits. The state economic advisory team appointed under ORS 280.735 shall meet with the local economic action team not later than 10 working days after the advisory team is appointed. The combined state and local teams shall prepare an economic adjustment strategy for the community within 120 days after their initial meeting. [1981 c.505 §7]

SMALL BUSINESS DEVELOPMENT

280.905 Oregon Small Business Development Act. ORS 271.510, 271.520, 280.310 to 280.320, 280.335, 280.345, 280.350, 280.360, 280.385, 280.393 to 280.397, 280.575, 280.910, 341.785 to 341.807, 657.471, 659.027 and 777.250 shall be known as the Oregon Small Business Development Act of 1983. [1983 c 689 §1]

280.910 Policy. (1) The Legislative Assembly finds that:

(a) Small businesses comprise more than 97 percent of the business entities in this state.

(b) Small businesses provide more than three-quarters of the private sector jobs in this state.

(c) The small business contribution to the economy of this state exceeds the national average contribution and its continuance is vital to the economic health and growth of this state.

(d) All national economic indicators establish that the greatest source of future new jobs is in the small business sector of the economy.

(2) The purpose of the Oregon Small Business Development Act of 1983 is to encourage and assist the development and continued growth of small business in this state.

(3) As used in the Oregon Small Business Development Act of 1983, "small business" means a manufacturing business having 200 or fewer employes and all other forms of business having 50 or fewer employes.

(4) The provisions of ORS 280.905 and 657.471 are intended to assist in carrying out the Oregon Small Business Development Act of 1983. [1983 c 689 §2, subsection (4) enacted as 1983 c.518 §4]

PENALTIES

280.990 Penalties. Any unlawful diversion or over-expenditure of the fund referred to in

ORS 280.140 as the result of the vote by any public official having charge, control or administration of the fund shall render the official civilly liable for the return of the money in the amount over-expended or diverted, with interest thereon at the legal rate until repaid, by action of any taxpayer of the subdivision concerned or by action of the district attorney of the county, or the attorney for the subdivision, wherein the offense was committed. The action shall be tried as an action not triable by right to a jury and more than one alleged unauthorized diversion, misuse of or overdraft from the fund, by vote or direction of the defendant, may be pleaded in the same action. [Amended by 1979 c.284 §132]