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284.020 [1987 c.115 §4; 1991 c.705 §3; 1991 c.878 §4; renumbered 285.635 in 1991]

- 284.025** [1987 c.115 §5; 1991 c.705 §4; renumbered 285.637 in 1991]
- 284.030** [1987 c.115 §6; 1989 c.547 §3; 1991 c.705 §5; renumbered 285.640 in 1991]
- 284.035** [1987 c.115 §7; 1991 c.705 §6; renumbered 285.643 in 1991]
- 284.040** [1987 c.115 §8; 1991 c.705 §7; renumbered 285.645 in 1991]
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- 284.050** [1987 c.506 §24; 1989 c.966 §16; 1991 c.705 §8; renumbered 285.650 in 1991]
- 284.055** [1987 c.506 §25; 1989 c.638 §§1, 2; 1989 c.966 §17; 1991 c.461 §93; 1991 c.878 §5; renumbered 285.653 in 1991]
- 284.060** [1987 c.115 §1; renumbered 285.655 in 1991]
- 284.075** [1987 c.677 §2; renumbered 285.263 in 1991]
- 284.080** [1987 c.677 §3; renumbered 285.265 in 1991]
- 284.085** [1987 c.677 §§4, 7; 1989 c.908 §59; renumbered 285.267 in 1991]
- 284.090** [1987 c.677 §5; renumbered 285.270 in 1991]
- 284.095** [1987 c.677 §8; renumbered 285.273 in 1991]
- 284.100** [1987 c.677 §1; renumbered 285.275 in 1991]
- 284.110** [1985 c.807 §3; 1987 c.769 §1; repealed by 1989 c.1015 §24]
- 284.115** [1989 c.1015 §2; renumbered 285.570 in 1991]
- 284.120** [1985 c.807 §13c; 1987 c.769 §2; repealed by 1989 c.1015 §24]
- 284.125** [1989 c.1015 §3; renumbered 285.573 in 1991]
- 284.130** [1985 c.807 §2; repealed by 1989 c.1015 §24]
- 284.135** [1989 c.1015 §4; repealed by 1991 c.11 §19]
- 284.140** [1985 c.807 §4; repealed by 1989 c.1015 §24]
- 284.145** [1989 c.1015 §5; renumbered 285.575 in 1991]
- 284.150** [1985 c.807 §5; 1987 c.769 §3; repealed by 1989 c.1015 §24]
- 284.155** [1989 c.1015 §6; renumbered 285.577 in 1991]
- 284.160** [1985 c.807 §6; 1987 c.769 §4; repealed by 1989 c.1015 §24]
- 284.165** [1989 c.1015 §7; renumbered 285.580 in 1991]
- 284.170** [1985 c.807 §7; repealed by 1989 c.1015 §24]

284.175 [1989 c.1015 §8; renumbered 285.583 in 1991]

284.180 [1985 c.807 §8; 1987 c.769 §5; 1989 c.171 §37; repealed by 1989 c.1015 §24]

284.185 [1989 c.1015 §9; renumbered 285.585 in 1991]

284.190 [1985 c.807 §15; repealed by 1989 c.1015 §24]

284.195 [1989 c.1015 §10; renumbered 285.587 in 1991]

284.200 [1985 c.807 §9; repealed by 1989 c.1015 §24]

284.205 [1989 c.1015 §11; 1991 c.11 §7; renumbered 285.590 in 1991]

284.210 [1985 c.807 §§13, 14; 1987 c.769 §§6, 16; repealed by 1989 c.1015 §24]

284.215 [1989 c.1015 §12; 1991 c.11 §8; renumbered 285.593 in 1991]

284.220 [1985 c.807 §§10, 11; 1987 c.769 §7; 1989 c.224 §48; repealed by 1989 c.1015 §24]

284.225 [1989 c.1015 §13; 1991 c.11 §9; renumbered 285.595 in 1991]

284.230 [1985 c.807 §12; 1987 c.769 §8; repealed by 1989 c.1015 §24]

284.235 [1989 c.1015 §14; 1991 c.459 §1; renumbered 285.597 in 1991]

284.240 [1985 c.807 §13a; 1987 c.769 §9; repealed by 1989 c.1015 §24]

284.245 [1989 c.1015 §15; 1991 c.415 §1; renumbered 285.600 in 1991]

284.250 [1985 c.807 §13b; 1987 c.769 §10; repealed by 1989 c.1015 §24]

284.254 [1989 c.1015 §16; renumbered 285.603 in 1991]

284.255 [1987 c.769 §§12, 13; 1989 c.908 §60; repealed by 1989 c.1015 §24]

284.259 [1989 c.1015 §17; renumbered 285.605 in 1991]

284.260 [1985 c.807 §1; repealed by 1989 c.1015 §24]

284.263 [1989 c.1015 §18; 1991 c.459 §2; renumbered 285.607 in 1991]

284.265 [1989 c.1015 §18a; 1991 c.11 §10; renumbered 285.610 in 1991]

284.270 [1989 c.1015 §19; 1991 c.11 §11; renumbered 285.613 in 1991]

284.275 [1989 c.1015 §20; 1991 c.11 §12; 1991 c.459 §3; renumbered 285.615 in 1991]

284.280 [1989 c.1051 §21; 1991 c.11 §13; 1991 c.415 §2; 1991 c.459 §4; renumbered 285.617 in 1991]

284.285 [1989 c.1015 §1; renumbered 285.620 in 1991]

284.300 Definitions for ORS 284.300 to 284.375. As used in ORS 284.300 to 284.375, unless the context requires otherwise:

- (1) "Board" means the Film and Video Board.
- (2) "Office" means the Oregon Film and Video Office created by ORS 284.305 (1). [1995 c.242 §1]

284.305 Oregon Film and Video Office; status; continuing state obligation to support office. (1) The Oregon Film and Video Office is created as a semi-independent state agency subject to ORS 284.300 to 284.375.

(2) Subject to legislative appropriations, the State of Oregon recognizes a continuing obligation to contribute to the support of the Oregon Film and Video Office. The State of Oregon recognizes that a continued financial partnership with the office is essential to the growth of the film and video industries. [1995 c.242 §§2,11]

284.310 [1985 c.776 §2; 1987 c.757 §1; 1989 c.537 §1; 1989 c.547 §4; 1989 c.833 §79; 1991 c.11 §14; 1991 c.687 §1; renumbered 285.700 in 1991]

284.315 Film and Video Board; appointment; qualifications; term; meetings; compensation. (1) The Oregon Film and Video Office shall be governed by the Film and Video Board.

(2) The Film and Video Board shall consist of five members appointed by the Governor.

(3) The five members shall be appointed as follows:

(a) Two members shall be appointed from professional filmmakers, videographers or production and support service firms.

(b) Two members shall be from the private financial sector and shall have experience in high-risk venture investments, either with start-up companies or in commercial banking.

(c) One member shall be appointed from a group or firm representing emerging media technologies.

(4) A member of the board shall be appointed for a term of four years that begins on July 1. A member shall hold office for the term of the appointment and until a successor is appointed. However, a member may be removed from the board at the pleasure of the Governor. A member is eligible for reappointment.

(5) Upon expiration of the term of a member of the board, a successor shall be appointed for a term of four years. In case of a vacancy for any cause, the Governor shall appoint an individual to serve the unexpired term of the member to be replaced.

(6) The board shall annually select one of its members to chair the board with those duties and powers that the board determines are necessary to perform the functions of the office.

(7) A majority of the members of the board constitutes a quorum for the transaction of business.

(8) The board shall meet at least once in each calendar quarter at a time and place to be determined by the chairperson of the board. All meetings of the board shall be held in Oregon. The chairperson or any two members of the board may call a special meeting after providing written notice of the meeting to the other members at least seven days prior to the meeting.

(9) Members of the board are entitled to expenses as provided in ORS 292.495 (2). [1995 c.242 §3; 1997 c.632 §5]

284.320 [1985 c.776 §1; 1987 c.757 §2; renumbered 285.703 in 1991]

284.325 Director of office; appointment; powers. The Oregon Film and Video Office shall be under the administrative control of a director, who is appointed by and who holds office at the pleasure of the Film and Video Board. The board shall set the compensation of the director. The director of the office may appoint all subordinate officers and employees of the office and may prescribe their duties and fix their compensation. The director of the office may delegate to any subordinate officer or employee any administrative duty, function or power imposed upon the office by law. [1995 c.242 §5]

284.330 [1985 c.776 §2a; 1987 c.757 §3; renumbered 285.705 in 1991]

284.335 Duties of director; contracts; prior approval by board for certain actions; biennial report; rules. (1) Except as provided in subsection (2) of this section, when carrying out the duties, functions and powers of the Oregon Film and Video Office, the director of the office may contract with any state agency for the performance of such duties, functions and powers that the director considers appropriate.

- (2) The director of the office shall not, without the prior approval of the Film and Video Board:
- (a) Award any contract for goods or professional services in excess of \$25,000;
 - (b) Authorize any expenditure of moneys in excess of \$25,000;
 - (c) Sell or otherwise dispose of real or personal property valued in excess of \$25,000;
 - (d) Commence a civil legal action or proceeding;
 - (e) Sell, transfer and convey property to a buyer or lease property to a tenant;
 - (f) Borrow money and give guarantees;
 - (g) Finance, conduct or cooperate in the financing of facilities and projects to assist the film, video and emerging media industries; or
 - (h) In accordance with ORS 183.310 to 183.550, adopt rules necessary for the administration of laws that the office is charged with administering.

(3) The Film and Video Board shall approve the lease of property to a tenant only when the sale, transfer or conveyance of the property cannot be effected with reasonable promptness or at a reasonable price.

(4) The Film and Video Board shall not allow the director to borrow money or give guarantees under subsection (2)(f) of this section unless the indebtedness or other obligations of the office are payable solely out of its own resources and do not constitute a pledge of the full faith and credit of the State of Oregon or any of the revenues of this state.

(5) The office shall file with the Governor and the Legislative Assembly a biennial report of the activities and operations of the office. The report shall include a full and complete reporting of the financial activities and transactions of the office during the biennium, including at least the information required under ORS 284.365 (5). [1995 c.242 §9]

284.340 [1985 c.776 §4; 1987 c.757 §4; 1991 c.878 §6; renumbered 285.707 in 1991]

284.345 Duties of Oregon Film and Video Office. The Oregon Film and Video Office shall:

- (1) Assist in the development of Oregon's indigenous film and video industry.
- (2) Act as the primary liaison and contact on behalf of the State of Oregon for film or video production companies and personnel operating in this state.
- (3) Provide assistance to:
 - (a) Out-of-state production companies;
 - (b) Location managers and scouts;
 - (c) Film and video production personnel on location in this state when dealing with local jurisdictions and state and federal agencies;
 - (d) The general public regarding film and video productions; and
 - (e) Local communities in attracting film and video productions.
- (4) Coordinate with affected state and federal agencies to permit filming.
- (5) Market and promote Oregon as a location for film or video productions.
- (6) Promote the film and video industry in Oregon and the emerging interactive multimedia technologies and related industries in this state by:
 - (a) Developing a skilled workforce;
 - (b) Developing and managing production facilities and other related infrastructure;
 - (c) Educating the business, financial and political communities in this state concerning the positive economic and promotional effects of these industries; and
 - (d) Promoting investment in the film and video industry, including facilitating joint ventures and partnerships in the industry.
- (7) Maintain the confidential nature of the negotiations it conducts as requested by persons doing business with the office. [1995 c.242 §6]

284.350 [1985 c.776 §2b; repealed by 1987 c.757 §16]

284.355 Powers of Oregon Film and Video Office. To carry out the purposes specified in ORS 284.345, the Oregon Film and Video Office may:

- (1) Make contracts and execute all instruments necessary or convenient for carrying out the duties of the office;
- (2) Acquire, own, hold, dispose of and encumber real or personal property of any kind, or any interest in that

property;

(3) Enter into agreements or other transactions involving the film, video and emerging interactive multimedia industries with any federal, state, county or municipal agency or with any person or other entity;

(4) Acquire real property or an interest in real property, by purchase or foreclosure, when the acquisition is necessary or appropriate to promote the film, video and emerging interactive multimedia industries;

(5) Appoint officers, consultants, agents and advisers, and prescribe their duties;

(6) Appear in its own behalf before boards, commissions, departments or other agencies of municipal or county governments, the state government or the federal government;

(7) Procure insurance against any losses in connection with its properties in such amounts and from such insurers as may be necessary or desirable;

(8) Accept any and all donations, grants, bequests and devises, conditional or otherwise, of money, property, services or other things of value, including any interest or earnings thereon, that may be received from the United States or any agency thereof, any governmental agency or any institution or person, public or private, to be held, used or applied for any or all of the purposes specified in ORS 284.345, in accordance with the terms and conditions of the grant;

(9) Organize, conduct, sponsor, cooperate with and assist the private sector and other state agencies in the conduct of conferences and tours relating to the film, video and emerging interactive multimedia industries;

(10) Provide and pay for advisory services and technical assistance that may be necessary or desirable to carry out the purposes of ORS 284.345;

(11) Exercise any other powers necessary for the operation and functioning of the office within the purposes authorized by ORS 284.345;

(12) In order to accomplish the purposes of ORS 284.300 to 284.355, expend moneys duly budgeted to pay the travel and various other expenses of film or video production company personnel;

(13) Charge for and receive income or revenue from any source to be used for the purposes authorized by ORS 284.345; and

(14) Charge fees reasonably calculated to cover the costs incurred by the office when providing services under ORS 284.300 to 284.355. [1995 c.242 §8]

284.360 [1985 c.776 §5; 1987 c.168 §7; renumbered 285.710 in 1991]

284.365 Collection and expenditure of moneys; bank account; adoption of budget after public hearing; nonapplicability of state expenditure limitation. (1) All moneys collected, received or appropriated to the Oregon Film and Video Office shall be deposited in an account established in a depository bank insured by the Federal Deposit Insurance Corporation. In a manner consistent with the requirements of ORS chapter 295, the chairperson of the Film and Video Board shall insure that sufficient collateral secures any amount of funds on deposit that exceeds the limits of the coverage of the Federal Deposit Insurance Corporation. Subject to approval by the chairperson, the board may invest moneys collected or received by the office. Investments made by the board are limited to the types of investments listed in ORS 294.035 (1) to (9). Interest earned from any amounts invested shall be made available to the office in a manner consistent with the biennial budget approved by the board.

(2) Subject to the approval of the director of the office, all necessary expenses of the office and the board shall be paid from the moneys collected, appropriated or earned by the office.

(3) The office shall adopt a budget on a biennial basis using the classifications of expenditures and revenues required by ORS 291.206 (1). The budget shall not be subject to review and approval by the Legislative Assembly or to modification by the Emergency Board or the Legislative Assembly. However, the budget shall be included in the biennial report required by ORS 284.335 (5).

(4) The board shall adopt a budget only after holding a public hearing on the proposed budget. At least 15 days prior to any public hearing on the proposed budget, the board shall give notice of the hearing to all persons known to be interested in the proceedings of the board and to any person who requests notice.

(5) All expenditures from the account established for the office under subsection (1) of this section are exempt from any state expenditure limitation. The office shall follow generally accepted accounting principles and keep such financial and statistical information that is necessary to completely and accurately disclose the financial condition and financial operations of the office as may be required by the Secretary of State.

(6) As used in this section, “depository bank” has the meaning given that term in ORS 295.005. [1995 c.242 §10]

284.370 [1985 c.776 §6; 1987 c.168 §8; renumbered 285.713 in 1991]

284.375 Application of other laws. (1) Except as otherwise provided by law, ORS chapters 240, 276, 279, 282, 283, 291, 292 and 293 do not apply to the Oregon Film and Video Office.

(2) Notwithstanding subsection (1) of this section, ORS 279.053, 279.800 to 279.830, 282.210 to 282.230, 293.235, 293.240, 293.245, 293.260, 293.262, 293.611, 293.625 and 293.630 apply to the Oregon Film and Video Office. [1995 c.242 §7]

284.380 [1985 c.776 §7; 1987 c.757 §5; renumbered 285.715 in 1991]

284.390 [1985 c.776 §§8, 9; 1987 c.757 §6; renumbered 285.717 in 1991]

284.400 [1985 c.776 §14; 1987 c.757 §7; renumbered 285.720 in 1991]

284.410 [1985 c.776 §12; 1987 c.757 §8; renumbered 285.723 in 1991]

284.415 [1987 c.757 §18; renumbered 285.725 in 1991]

284.420 [1985 c.776 §10; 1987 c.757 §9; renumbered 285.727 in 1991]

284.425 [1987 c.757 §18a; renumbered 285.730 in 1991]

284.428 [1987 c.757 §19; repealed by 1991 c.902 §121]

284.430 [1985 c.776 §22; 1987 c.506 §26; renumbered 461.710 in 1987]

284.440 [1985 c.776 §3; 1987 c.757 §§10, 22; 1989 c.966 §18; 1991 c.687 §2; renumbered 285.733 in 1991]

284.445 [1987 c.757 §20; renumbered 285.735 in 1991]

284.450 [1985 c.776 §11; repealed by 1987 c.757 §16]

284.455 [1987 c.757 §23; 1991 c.944 §2; renumbered 285.737 in 1991]

284.460 [1985 c.776 §13; repealed by 1987 c.757 §16]

284.470 [1985 c.776 §15; repealed by 1987 c.757 §16]

284.480 [1985 c.776 §16; repealed by 1987 c.757 §16]

284.490 [1985 c.776 §17; 1987 c.757 §11; 1991 c.687 §3; 1991 c.944 §3; renumbered 285.740 in 1991]

284.500 [1985 c.776 §18; 1987 c.757 §12; renumbered 285.743 in 1991]

284.510 [1985 c.776 §19; 1987 c.757 §13; renumbered 285.745 in 1991]

284.520 [1985 c.776 §20; 1987 c.757 §14; renumbered 285.747 in 1991]

284.530 [1985 c.776 §21; 1987 c.757 §15; renumbered 285.750 in 1991]

284.535 [1989 c.909 §48; renumbered 285.753 in 1991]

284.610 [1985 c.814 §3; 1987 c.837 §3; 1991 c.488 §1; 1993 c.210 §1; 1999 c.274 §3; repealed by 2001 c.922 §35]

284.620 [1985 c.814 §1; 1991 c.488 §2; 1993 c.210 §2; repealed by 1999 c.274 §22]

284.630 [1985 c.814 §4; 1987 c.94 §101; 1987 c.837 §10; 1987 c.879 §12; 1993 c.210 §3; 1997 c.802 §15; 1999 c.274 §4; repealed by 2001 c.922 §35]

284.640 [1985 c.814 §2; 1987 c.837 §4; 1991 c.488 §3; 1993 c.210 §4; 1999 c.274 §5; repealed by 2001 c.922 §35]

284.650 [1985 c.814 §6; 1987 c.837 §5; 1989 c.908 §61; 1993 c.210 §§5,6; 1999 c.274 §6; repealed by 2001 c.922 §35]

284.655 [1999 c.274 §2; repealed by 2001 c.922 §35]

284.660 [1985 c.814 §6a; 1993 c.210 §8; repealed by 1999 c.274 §22]

284.665 [1999 c.274 §9; repealed by 2001 c.922 §35]

284.670 [1985 c.814 §5; 1987 c.837 §6; 1989 c.908 §62; 1993 c.210 §§9,10; repealed by 1999 c.274 §22]

284.675 [1999 c.274 §10; repealed by 2001 c.922 §35]

284.680 [1985 c.814 §8; 1987 c.837 §7; 1989 c.259 §1; 1991 c.488 §4; 1993 c.210 §12; repealed by 1999 c.274 §22]

284.690 [1985 c.814 §9; 1987 c.837 §8; 1991 c.488 §5; 1993 c.210 §13; repealed by 1999 c.274 §22]

284.695 [1989 c.1090 §4; 1993 c.210 §14; repealed by 1999 c.274 §22]

284.700 [1985 c.814 §10; 1991 c.488 §6; 1993 c.210 §15; repealed by 1999 c.274 §22]

284.705 [1987 c.837 §§2,12; 1991 c.488 §7; 1993 c.210 §16; 1999 c.274 §7; repealed by 2001 c.922 §35]

284.710 [1985 c.814 §11; 1991 c.488 §8; 1993 c.210 §17; repealed by 1999 c.274 §22]

OREGON CAPITAL CORPORATION

284.750 Definitions for ORS 284.750 to 284.795. As used in ORS 284.750 to 284.795, 315.504, 317.084, 317.267, 318.031, 716.588 and 722.304:

(1) “Department” means the Department of Consumer and Business Services established under ORS chapter 705.

(2) “Director” means the Director of the Department of Consumer and Business Services.

(3) “Enterprise” means any business owned by an Oregon resident, partnership, association or corporation with its principal place of business in Oregon, even if it is a wholly owned subsidiary of a foreign corporation that does substantially all of its production in Oregon.

(4) “Equity investment” means all forms of equity such as common stock, preferred stock, with or without voting rights, and without regard to seniority of equity position, forms of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached, or any other means of near equity finance.

(5) “Traded sector” means those Oregon businesses that sell goods or services in markets for which national or international competition exists. [1987 c.911 §3; 1993 c.744 §14; 1997 c.631 §433]

284.755 Purpose; findings. (1) ORS 284.750 to 284.795, 315.504, 317.084, 317.267, 318.031, 716.588 and 722.304 establishes the mechanism to certify a corporation that is incorporated under the general laws of this state as the Oregon Capital Corporation. ORS 284.750 to 284.795, 315.504, 317.084, 317.267, 318.031, 716.588 and 722.304 will, through a tax credit, help generate a \$40 to \$50 million fund for risk capital investments. These funds will be

invested primarily in profitable and growing Oregon traded sector enterprises which will lead to further growth and diversification of businesses throughout the state.

(2) The purpose of ORS 284.750 to 284.795, 315.504, 317.084, 317.267, 318.031, 716.588 and 722.304 is to encourage the certification of an Oregon Capital Corporation which will:

(a) Enable potentially profitable enterprises to gain access to long-term, unsecured, subordinated debt and equity financing to promote growth, diversification and expansion;

(b) Encourage the growth, diversification and expansion of existing enterprises and the creation of new, wealth-creating enterprises; and

(c) Promote economic diversification and innovation within key traded sectors of special importance to Oregon's economy particularly in nonmetropolitan areas of the state.

(3) The Legislative Assembly finds that the certification of the Oregon Capital Corporation is likely to benefit the state's citizens and businesses by:

(a) Providing capital assistance to expanding or restructuring firms which have a potential for liquidity and earnings too limited to make them attractive to venture capitalists.

(b) Aiding entrepreneurs to obtain financial capital for expansion on terms that allow them to retain long-term control of their businesses rather than giving up control to the providers of financial capital.

(c) Enabling private financial institutions to expand the means by which they can provide financial capital to their customers.

(d) Broadening the base of capital resources for business expansion to include the shareholder equity of state utility holding companies, the investment portfolios of insurance companies and other major corporate and personal investors. [1987 c.911 §1, 2; 1989 c.501 §1; 1997 c.631 §434]

284.760 Duties of department; rules. The Department of Consumer and Business Services shall adopt rules to implement ORS 284.750 to 284.795, 315.504, 317.084, 317.267, 318.031, 716.588 and 722.304 on or before October 1, 1987, and shall serve as a clearinghouse for information relevant to potential incorporators or organizers of Oregon capital companies. [1987 c.911 §4; 1997 c.631 §435]

284.765 Application for certification; review by department; capitalization requirements. (1) The Department of Consumer and Business Services shall adopt rules for making an application for certification of the Oregon Capital Corporation and shall specify the information that must be submitted at the time of application. The Oregon Capital Corporation shall not be certified until the department has adopted rules as required in ORS 284.760. The department's rules shall provide at a minimum, that an applicant seeking to be certified as the Oregon Capital Corporation must specify the level of capitalization that the company expects to qualify for the tax credits provided for in ORS 284.750 to 284.795, 315.504, 317.084, 317.267, 318.031, 716.588 and 722.304.

(2) The department shall review the articles of incorporation or partnership of each applicant for certification and the business history of the applicant and determine that the capitalization is at least \$40 million. [1987 c.911 §5; 1997 c.631 §436]

284.770 Incorporation; articles and bylaws; directors; officers; powers. The Oregon Capital Corporation shall be incorporated under and be governed by the laws of Oregon. The articles of incorporation and the bylaws of the Oregon Capital Corporation shall provide that:

(1) The corporation shall be governed by a board of directors that shall consist of not more than 15 members to oversee the operations of the Oregon Capital Corporation.

(2) In addition to the members appointed under subsection (1) of this section, not fewer than two members of the board shall be appointed by the Governor. Members of the board appointed by the Governor shall not have a vote, but shall have the right to attend all board meetings and observe and participate in the business of the board on behalf of the public interest.

(3) The purpose of the Oregon Capital Corporation is to earn a favorable rate of return for its investors consistent with the attainment of public policy objectives to:

(a) Make long-term, unsecured, subordinated debt and equity investments in Oregon-based, traded-sector firms by providing capital for expansion, restructuring and working capital needs.

(b) Promote economic diversification and innovation within basic industries in Oregon.

(c) Promote increased productivity and value-added products and processes among wealth creating enterprises and the export of those products created by Oregon companies.

(d) Contribute to the Oregon economy which provides increased revenue for state and local government.

(4) The board shall conduct a search and select a president or other chief executive officer, who is not a member of the board, for the Oregon Capital Corporation with experience, ability and initiative in similar executive positions in venture capital corporations participating in high-risk, equity and near-equity investment activities. The president or other chief executive officer may be compensated on a reward and penalty system accepted by the private sector for individuals managing such investment firms.

(5) The Oregon Capital Corporation may, at the board's discretion, contract with a qualified investment company to invest all or a portion of the Oregon Capital Corporation's moneys, provided the qualified investment company demonstrate a record of investing in:

(a) Equity or near equity instruments;

(b) Firms that have not been traditionally served by the risk capital markets; and

(c) Firms located throughout the state.

(6) Not more than 30 percent of the stock of such a corporation may be owned by or held for the benefit of any one beneficial owner.

(7) Not less than once each year, the corporation shall provide for an evaluation of the value of the assets and liabilities of the corporation, and shall report the results of its valuation to shareholders and to the Department of Consumer and Business Services. [1987 c.911 §6]

284.775 Requirements to retain certification; limits on investments; confidentiality of certain records. (1) To continue certification, the Oregon Capital Corporation shall:

(a) Invest at least 40 percent of its original capitalization at the end of the initial three years in equity investments in Oregon enterprises.

(b) Invest at least 60 percent of its original capitalization at the end of the initial five years in equity investments in Oregon enterprises.

(c) Invest at least 75 percent of its original capitalization at the end of the initial seven years in equity investments in Oregon enterprises.

(d) Invest at least 25 percent of the amounts required to be invested as provided in paragraphs (a) to (c) of this subsection in equity investments in Oregon enterprises located outside of Clackamas, Multnomah and Washington Counties.

(2) No more than 20 percent of the assets of the Oregon Capital Corporation may be invested in the equity of a single enterprise at any one time, unless the Oregon Capital Corporation can reasonably demonstrate and the Department of Consumer and Business Services finds that a greater percentage in a single enterprise at any one time is the result of losses suffered by the Oregon Capital Corporation in other investments.

(3) The Oregon Capital Corporation may invest its funds in any Oregon enterprise. However, the use of invested funds by an Oregon enterprise for oil and gas exploration and development, real estate development or appreciation, banking or lending operations, service or retail businesses shall not be considered acceptable investments for the purpose of qualifying for the purposes of subsection (1) of this section.

(4) Documents and other materials submitted by the Oregon Capital Corporation or by Oregon businesses for purposes of certification and continuation of certification shall not be public records if such records are determined to be trade or business secrets and shall be maintained in a secure environment by the department.

(5) No funds of the Oregon Capital Corporation may be invested in stock or obligations of, or property acquired from, any stockholder of the Oregon Capital Corporation or any directors, officers or employees of any stockholder. [1987 c.911 §9]

284.780 Annual review; grounds for decertification; notice; compliance period; effect of decertification. (1) The Department of Consumer and Business Services shall review annually the Oregon Capital Corporation to determine if it is abiding by the requirements of certification, to advise the management as to the certification status of its investments and to insure that no investment has been made in violation of the provisions of ORS 284.750 to 284.795, 315.504, 317.084, 317.267, 318.031, 716.588 and 722.304 or rules adopted by the department. Any violation shall be grounds for decertification under this section.

(2) If the Oregon Capital Corporation has met the investment levels prescribed in ORS 284.775 (1) and has subsequently sold any of the companies in which those equities were made, the temporary liquidity of the corporation prior to reinvestment in the equity of new ventures will not be cause for decertification.

(3) In evaluating the corporation's annual performance, the department shall use reasonable standards of the

venture capital practice to determine legislative intent in those cases where a technical violation might otherwise lead to a technical decertification.

(4) If the department determines that a corporation is not in compliance with ORS 284.775 for continuing in certification, the department shall, by written notice, inform the officers of the corporation and the board of directors or partners that they will be decertified in 120 days from the date of mailing of the notice unless they correct the deficiencies and are once again in compliance with the requirements for decertification.

(5) At the end of the 120-day period provided for in subsection (4) of this section, if the department determines the Oregon Capital Corporation is still not in compliance, the department shall send a notice of decertification to the company and to the Department of Revenue. In making a determination of noncompliance, the department may extend the 120-day period by up to 60 days, if in its sole discretion, it determines that the corporation has made a good faith effort to comply.

(6) Following each annual examination, the department shall notify the Department of Revenue if the Oregon Capital Corporation is not in compliance with this section.

(7) Decertification of the Oregon Capital Corporation shall cause the forfeiture of any tax credit previously allowed under ORS 315.504, or 318.031. The total amount of any tax credits previously claimed by any taxpayer under ORS 315.504, or 318.031 shall be reported and paid as additional tax for the taxable year in which notice of decertification is given to the taxpayer by the Department of Revenue. The Department of Revenue shall send written notice to the address of each person whose tax credit has been forfeited, using the address from such person's last income tax filing. [1987 c.911 §10; 1997 c.631 §437]

284.785 Voluntary decertification procedure; effect. At any time, the Oregon Capital Corporation may voluntarily decertify itself by sending written notice of decertification to the Department of Consumer and Business Services and by remitting to the Department of Revenue full payment of all tax credits claimed by investors under its participation in the certification program. Thereafter, the corporation shall be entitled to recover from its investors or equity owners such sums as were remitted by the corporation. The Department of Revenue shall not seek to recover from any taxpayer the amount of any tax credit for which payment has been made by the Oregon Capital Corporation. [1987 c.911 §11]

284.790 Annual report. (1) The Oregon Capital Corporation shall prepare and publish an annual report of its activities and present that report to the Governor, the Department of Consumer and Business Services, the Department of Revenue, the Joint Legislative Committee on Trade and Economic Development and the public which shall account for such information as required by the board and the department, but shall include at a minimum:

(a) The manner in which the need and mission as described in ORS 284.750 to 284.795, 315.504, 317.084, 317.267, 318.031, 716.588 and 722.304 have been carried out.

(b) The total investments made annually by the Oregon Capital Corporation.

(c) The names and amounts invested in other, qualified investment companies and their investments made that year.

(d) An estimate of the jobs created and preserved by investments from the Oregon Capital Corporation.

(e) An analysis of the disbursement of resources by the corporation by size, sector and location to qualifying enterprises.

(2) The department shall review the Oregon Capital Corporation's reports and evaluate the success of the Oregon Capital Corporation and may include specific recommendations for program improvement. [1987 c.911 §12; 1993 c.18 §49; 1997 c.631 §438]

284.795 State liability. The State of Oregon shall be held harmless for any damages to an investor in the Oregon Capital Corporation. [1987 c.911 §13]

284.800 [Formerly 447.800; 1991 c.11 §15; renumbered 285.253 in 1991]

284.805 [Formerly 447.805; renumbered 285.255 in 1991]

284.810 [Formerly 447.810; renumbered 285.257 in 1991]

284.815 [Formerly 447.815; 1991 c.11 §16; renumbered 285.260 in 1991]

284.820 [Formerly 447.820; repealed by 1991 c.11 §19]

284.825 [Formerly 447.825; repealed by 1991 c.11 §19]

284.831 [Formerly 447.831; repealed by 1991 c.11 §19]

284.834 [Formerly 447.834; repealed by 1991 c.11 §19]

284.835 [Formerly 447.835; repealed by 1991 c.11 §19]

284.840 [Formerly 447.840; repealed by 1991 c.11 §19]

284.845 [Formerly 447.845; repealed by 1991 c.11 §19]

284.850 [Formerly 447.850; repealed by 1991 c.11 §19]

284.855 [Formerly 447.855; repealed by 1991 c.11 §19]

284.860 [Formerly 447.860; repealed by 1991 c.11 §19]

284.865 [Formerly 447.865; repealed by 1991 c.11 §19]

284.875 [Formerly 447.875; repealed by 1991 c.11 §19]

284.880 [Formerly 447.880; repealed by 1991 c.11 §19]

284.895 [Formerly 182.815; renumbered 285.250 in 1991]