

A-Engrossed
Senate Bill 1597

Ordered by the Senate February 26
Including Senate Amendments dated February 26

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

SUMMARY

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

Clarifies provisions relating to issuance of certain Article XI-Q bonds.

Directs State Treasurer to consult with Legislative Fiscal Office and Oregon Department of Administrative Services when preparing documents or materials for State Debt Policy Advisory Commission.

Deletes provision stating that expenditures made by State Fair Council from appropriations made to Oregon Department of Administrative Services on behalf of council are obligation owing from council to department.

Authorizes Higher Education Coordinating Commission to expend previously authorized moneys for certain community college project.

Directs Judicial Department to deposit certain moneys received by department prior to July 1, 2013 into State Court Technology Fund.

Increases judicial salaries.

Creates Oregon Capitol History Gateway Fund and Oregon State Capitol Operating Fund for moneys related to projects and operation of Oregon State Capitol Foundation.

Transfers moneys from Oregon Liquor Control Commission Account to Public Health Account for expenses of pilot project related to increasing awareness among youth of impact of using marijuana and marijuana-derived products. Directs Department of Revenue to repay amount of transfer plus two percent from Oregon Marijuana Account not later than September 30, 2017.

Clarifies that declared earnings on moneys in Oregon Growth Account are transferred in manner prescribed for other declared earnings on moneys in Education Stability Fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending ORS 284.885, 286A.250,
3 292.406, 292.411, 292.416, 292.426, 348.696, 565.495 and 565.545 and sections 8 and 9, chapter 705,
4 Oregon Laws 2013, section 64, chapter 723, Oregon Laws 2013, section 102, chapter 366, Oregon
5 Laws 2015, and section 10, chapter 685, Oregon Laws 2015; and declaring an emergency.

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

7 **SECTION 1.** Section 10, chapter 685, Oregon Laws 2015, is amended to read:

8 **Sec. 10.** Out of the amount specified in section 1 (6) [*of this 2015 Act*], **chapter 685, Oregon**
9 **Laws 2015**, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed
10 \$27,775,000 of net proceeds for the purposes **and in the manner** specified in section 8 [(3)], chapter
11 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay estimated bond-
12 related costs.

13 **SECTION 2.** Section 8, chapter 705, Oregon Laws 2013, as amended by section 6, chapter 121,
14 Oregon Laws 2014, is amended to read:

15 **Sec. 8.** (1) Out of the amount specified in section 1 (6), chapter 705, Oregon Laws 2013, the State
16 Treasurer may issue Article XI-Q bonds in an amount not to exceed \$19 million of net proceeds for

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

1 the purposes specified in subsection (3) of this section, plus an amount estimated by the State
2 Treasurer to pay estimated bond-related costs.

3 (2)(a) Bonds may not be issued pursuant to this section **or section 10, chapter 685, Oregon**
4 **Laws 2015**, unless:

5 (A) The Chief Justice of the Supreme Court has determined that:

6 (i) The courthouse with respect to which the bonds will be issued has significant structural de-
7 fects, including seismic defects, that present actual or potential threats to human health and safety;

8 (ii) Replacing the courthouse, whether by acquiring and remodeling or repairing an existing
9 building or by constructing a new building, is more cost-effective than remodeling or repairing the
10 courthouse; and

11 (iii) Replacing the courthouse creates an opportunity for colocation of the court with other state
12 offices; and

13 (B) The Oregon Department of Administrative Services has approved the project for which the
14 bonds will be issued.

15 (b) The Oregon Department of Administrative Services, after consultation with the Judicial De-
16 partment, shall determine when net proceeds are needed for the purposes described in subsection (3)
17 of this section and shall consult with the Judicial Department regarding the sale of bonds to be is-
18 sued pursuant to this section.

19 (3) The State Treasurer shall deposit the net proceeds of bonds issued pursuant to this section
20 **and section 10, chapter 685, Oregon Laws 2015**, in the Oregon Courthouse Capital Construction
21 and Improvement Fund. The net proceeds and any interest earnings may be used solely to finance
22 costs related to acquiring, constructing, remodeling, repairing, equipping or furnishing land, im-
23 provements, courthouses or portions of courthouses that are, or that upon completion of a project
24 funded under this section will be, owned or operated by the State of Oregon.

25 (4) As used in ORS 286A.816 to 286A.826 with respect to this section:

26 (a) "Project agency" means the Judicial Department.

27 (b) "Project fund" means the Oregon Courthouse Capital Construction and Improvement Fund.

28 **SECTION 3.** Section 9, chapter 705, Oregon Laws 2013, as amended by section 7, chapter 121,
29 Oregon Laws 2014, is amended to read:

30 **Sec. 9.** (1)(a) Notwithstanding ORS 1.185, a county and the state, acting by and through the
31 Oregon Department of Administrative Services on behalf of the Judicial Department, may enter into
32 interim agreements that provide for the funding, acquisition, development and construction of a
33 courthouse and require the parties to negotiate in good faith and execute a long-term lease agree-
34 ment or a long-term intergovernmental agreement with respect to the ownership or operation of a
35 courthouse or portions of a courthouse that the county is required to provide under ORS 1.185,
36 pursuant to which the state agrees to provide the property and services described in ORS 1.185
37 (1)(a).

38 (b)(A) An agreement entered into pursuant to this subsection may include a requirement that
39 the county transfer to the Oregon Courthouse Capital Construction and Improvement Fund an
40 amount not less than 50 percent of the total estimated costs of a project funded with bonds issued
41 pursuant to section 8, chapter 705, Oregon Laws 2013, **or section 10, chapter 685, Oregon Laws**
42 **2015**, with respect to the courthouse or portions of a courthouse that are the subject of the agree-
43 ment.

44 (B) The amount transferred by a county pursuant to this paragraph may comprise, singly or in
45 any combination and proportion:

1 (i) Property tax revenues, bond proceeds or any other county moneys; and

2 (ii) A credit equal to the higher of the appraised value or the actual purchase price of land
3 purchased by the county for the courthouse if the state approves of the land as the site for the
4 courthouse.

5 (C) The amount required to be transferred by the county under this subsection may not be less
6 than 75 percent of the total estimated costs unless the project includes colocation in the courthouse
7 of state offices in addition to the state circuit court facilities.

8 (2) For purposes of section 8, chapter 705, Oregon Laws 2013, **and section 10, chapter 685,**
9 **Oregon Laws 2015,** the state shall be considered to operate a courthouse or portions of a court-
10 house that are the subject of an agreement entered into pursuant to subsection (1) of this section
11 if, as applicable:

12 (a) The lease agreement conveys to the state a full leasehold interest, including exclusive rights
13 to control and use the courthouse or portions of the courthouse that are typical of a long-term lease,
14 for a term that is at least equal to the term during which the bonds issued pursuant to section 8,
15 chapter 705, Oregon Laws 2013, **and section 10, chapter 685, Oregon Laws 2015,** will remain
16 outstanding.

17 (b) The intergovernmental agreement grants the state the exclusive right to control and use the
18 courthouse or portions of the courthouse for a term that is at least equal to the term during which
19 the bonds issued pursuant to section 8, chapter 705, Oregon Laws 2013, **and section 10, chapter**
20 **685, Oregon Laws 2015,** will remain outstanding.

21 **SECTION 4.** Section 64, chapter 723, Oregon Laws 2013, is amended to read:

22 **Sec. 64.** (1) The Oregon Courthouse Capital Construction and Improvement Fund is established
23 in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in
24 the Oregon Courthouse Capital Construction and Improvement Fund shall be credited to the fund.

25 (2) The fund consists of moneys deposited in the fund pursuant to section 8, chapter 705, Oregon
26 Laws 2013, **and section 10, chapter 685, Oregon Laws 2015,** and moneys transferred to the fund
27 by a county pursuant to section 9 (1)(b), chapter 705, Oregon Laws 2013, and may include fees, re-
28 venues and other moneys appropriated by the Legislative Assembly for deposit in the fund.

29 (3) Moneys in the fund are continuously appropriated to the Judicial Department for:

30 (a) The purposes described in section 8 (3), chapter 705, Oregon Laws 2013;

31 (b) Payment of the costs incurred by the department to administer the fund; and

32 (c) Payment of bond-related costs, as defined in ORS 286A.816.

33 **SECTION 5.** ORS 286A.250 is amended to read:

34 286A.250. (1) There is established a State Debt Policy Advisory Commission, consisting of five
35 members.

36 (2) The State Treasurer and the Director of the Oregon Department of Administrative Services
37 shall serve as ex officio members of the commission. One member of the commission must be a
38 member of the Senate appointed by the President of the Senate. One member of the commission must
39 be a member of the House of Representatives appointed by the Speaker of the House. One member
40 of the commission must be a public member, knowledgeable on matters of public finance, appointed
41 by the Governor from among those persons recommended by the State Treasurer.

42 (3) The term of an appointed member is two years, but an appointed member serves at the
43 pleasure of the appointing authority. Before the expiration of the term of an appointed member, the
44 appointing authority shall appoint a successor. If there is a vacancy for any reason in the office of
45 an appointed member, the appointing authority shall make an appointment to become immediately

1 effective for the unexpired term.

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

4 (5) The State Treasurer shall serve as chairperson of the commission, with the duties and pow-
5 ers necessary for the performance of that office that the commission determines appropriate.

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

8 (7) The commission shall meet at least once every year at a place and time determined by the
9 commission. The commission also shall meet at other times and places specified by the call of the
10 chairperson or of a majority of the members of the commission.

11 (8) The office of the State Treasurer shall provide the commission with office space and clerical
12 and other administrative support.

13 **(9) When preparing documents or reports or other materials for or by the State Debt**
14 **Policy Advisory Commission, and prior to the release of the documents, reports or other**
15 **materials to the public, the State Treasurer shall consult and share the documents, reports**
16 **or other materials with the Oregon Department of Administrative Services and the Legisla-**
17 **tive Fiscal Office.**

18 **SECTION 6.** ORS 565.495 is amended to read:

19 565.495. (1) The State Fair Council may not acquire or dispose of any real property or facilities
20 without prior approval by the Oregon Department of Administrative Services. Legal title to
21 fairground properties and facilities must remain with, or be established in, the name of the State
22 of Oregon. The department and the council shall enter into an agreement for the council to exercise
23 exclusive care, custody and control over fairground properties and facilities. The agreement shall
24 provide for the council to make periodic payments to the State of Oregon for the leasing of the
25 fairground properties and facilities. The agreement may not establish a fixed term in excess of 10
26 years, but may provide for renewal. Notwithstanding any fixed term for the agreement, the Legis-
27 lative Assembly may terminate the agreement by law if the conducting of the Oregon State Fair, the
28 carrying out of fairground business operations and the operation of fairground properties and facil-
29 ities by the council results in a net loss in three of any five consecutive years. If the Legislative
30 Assembly terminates the agreement, the department may dispose of any fairground properties and
31 facilities for which the department determines disposal to be reasonable. The department and the
32 council may modify the agreement terms and conditions by mutual consent to the extent consistent
33 with this chapter.

34 (2) If any state agency has incurred an obligation for the purpose of paying for the construction,
35 repair or remodeling of fairground properties or facilities, and the obligation remains outstanding
36 at the time the agreement described in subsection (1) of this section is negotiated, the agreement
37 shall provide for all or part of the periodic payments by the council to be credited to an appropriate
38 account established in the State Treasury pursuant to ORS 291.001 (3) to compensate the obligated
39 agency for the amounts coming due under the obligation. The agreement shall give priority to the
40 full compensation of an obligated agency for any amounts coming due on revenue bonds payable
41 from the revenues of fairground business operations or from the operation of fairground properties
42 and facilities, including but not limited to revenue bonds issued under ORS 565.095 as set forth in
43 the 2011 Edition of Oregon Revised Statutes.

44 (3) If any fairground properties or facilities are sold, the Oregon Department of Administrative
45 Services shall ensure that any net proceeds of the sale are applied as provided in this subsection.

1 Net sale proceeds shall be applied according to the following priorities:

2 (a) First, for the repair and maintenance of other fairground properties or facilities.

3 (b) Second, for the payment of any bonds secured by the property or facility sold.

4 (c) Third, for the payment of any bonds payable out of Oregon State Fair revenues or other
5 fairground revenues.

6 (d) Fourth, for the acquisition of new fairground properties or facilities or other new properties
7 and facilities for the conducting of the Oregon State Fair or for deposit to fairground property and
8 facility acquisition accounts described in ORS 565.545 (1).

9 (4) The agreement described in subsection (1) of this section shall provide for appropriate ap-
10 portionment between the council and the Oregon Department of Administrative Services of any in-
11 surance proceeds paid in compensation for loss involving fairground properties or facilities.

12 (5) Notwithstanding subsection (1) of this section, the Oregon Department of Administrative
13 Services may seek an appropriation from the Legislative Assembly or the Emergency Board for
14 moneys to support the conducting of the Oregon State Fair, the carrying out of fairground business
15 operations, the operation of fairground properties and facilities or the repair, maintenance or in-
16 surance of fairground properties and facilities, if the council and the department agree that the ex-
17 isting and projected financial resources of the council are inadequate to conduct the Oregon State
18 Fair, to carry out fairground business operations, to operate fairground properties and facilities, to
19 make necessary repairs to fairground properties and facilities or to adequately maintain and insure
20 fairground properties and facilities. Any appropriation to the department shall be expended and ac-
21 counted for by the department as provided by law. *[Any expenditures made from an appropriation*
22 *described in this subsection shall be an obligation owing from the council to the department.]*

23 **SECTION 7.** ORS 565.545 is amended to read:

24 565.545. (1) If the conducting of the Oregon State Fair, the carrying out of fairground business
25 operations and the operation, maintenance or repair of fairground properties and facilities by the
26 State Fair Council results in a net profit for the fiscal year, the council shall use any moneys in
27 excess of scheduled expenditures and reasonable reserves only for[:]

28 [(a)] deposit into depository or investment accounts designated for fairground business oper-
29 ations or for the repair, maintenance, acquisition or operation of fairground property or facilities.[:
30 or]

31 [(b) *Payment of obligations owed the Oregon Department of Administrative Services under ORS*
32 *565.495 (5).*]

33 (2) The council shall include information regarding the fiscal year net profit or loss from the
34 conducting of the Oregon State Fair, the carrying out of fairground business operations and the
35 operation of fairground properties and facilities in the annual report made under ORS 565.555. The
36 report shall include the amounts for each use made of any net profit moneys.

37 (3) If the total balance of depository or investment accounts described in subsection (1)[(a)] of
38 this section exceeds \$50 million, the council shall notify the Oregon Department of Administrative
39 Services. Upon receiving notice from the council under this subsection, the department shall cause
40 an appraisal to be made of the sale and long-term lease values of fairground properties and facilities.
41 The department shall also determine the payment schedule and outstanding amount of any obli-
42 gations that have been incurred by state agencies for the purpose of paying for the construction,
43 repair or remodeling of fairground properties and facilities, including but not limited to any amounts
44 owing in payment of revenue bonds or lottery bonds issued for the construction, repair or remodel-
45 ing of fairground properties and facilities. The department shall provide the appraisal and obligation

1 information to the council. The council shall include information regarding the balance of the de-
 2 pository and investment accounts described in subsection (1)[(a)] of this section and the properties
 3 and facilities appraisal obligation information provided by the department in the annual report sub-
 4 mitted by the council under ORS 565.555.

5 **SECTION 8. The amendments to ORS 565.495 and 565.545 by sections 6 and 7 of this 2016**
 6 **Act apply to expenditures made from moneys appropriated prior to, on or after the effective**
 7 **date of this 2016 Act.**

8 **SECTION 9. (1) The Judicial Department shall identify moneys in the possession of the**
 9 **department as of the effective date of this 2016 Act that were received by the department**
 10 **prior to July 1, 2013, from fees for the use of the Oregon Judicial Information Network and**
 11 **for the use of other state court electronic applications and systems.**

12 **(2) On June 30, 2016, the department shall transfer the moneys described in subsection**
 13 **(1) of this section to the State Court Technology Fund established in ORS 1.012.**

14 **SECTION 10.** Section 102, chapter 366, Oregon Laws 2015, is amended to read:

15 **Sec. 102.** (1) The unexpended balances authorized to be expended by the Department of Com-
 16 munity Colleges and Workforce Development for a one-year period beginning July 1, 2015, from re-
 17 venues dedicated, continuously appropriated, appropriated or otherwise made available for the
 18 purpose of administering and enforcing the duties, functions and powers transferred from the De-
 19 partment of Community Colleges and Workforce Development to the Higher Education Coordinating
 20 Commission by the amendments to statutes by sections 1 to 99, **chapter 366, Oregon Laws 2015,**
 21 *[of this 2015 Act]* by acquiring, constructing, improving, repairing, equipping and furnishing
 22 buildings, structures, land and other projects at community colleges pursuant to section 7 (1) and
 23 (7), chapter 904, Oregon Laws 2009, and section 4 (3), chapter 808, Oregon Laws 2015, are trans-
 24 ferred to and are available for expenditure by the Higher Education Coordinating Commission for
 25 the one-year period specified for the purpose of administering and enforcing the duties, functions and
 26 powers transferred by the amendments to statutes by sections 1 to 99, **chapter 366, Oregon Laws**
 27 **2015** *[of this 2015 Act]*.

28 (2) The unexpended balances authorized to be expended by the Department of Community Col-
 29 leges and Workforce Development for a two-year period beginning July 1, 2015, from revenues ded-
 30 icated, continuously appropriated, appropriated or otherwise made available for the purpose of
 31 administering and enforcing the duties, functions and powers transferred from the Department of
 32 Community Colleges and Workforce Development to the Higher Education Coordinating Commission
 33 by the amendments to statutes by sections 1 to 99, **chapter 366, Oregon Laws 2015,** *[of this 2015*
 34 *Act]* for community college districts for capital construction, deferred maintenance capital renewal,
 35 code compliance and safety projects pursuant to section 2, chapter 78, Oregon Laws 2012, and sec-
 36 tion 11 (1), (3), (4) to (6), (8), (10), (11), (13), (14) and (17), chapter 79, Oregon Laws 2012, are trans-
 37 ferred to and are available for expenditure by the Higher Education Coordinating Commission for
 38 the two-year period specified for the purpose of administering and enforcing the duties, functions
 39 and powers transferred by the amendments to statutes by sections 1 to 99, **chapter 366, Oregon**
 40 **Laws 2015** *[of this 2015 Act]*.

41 (3) The unexpended balances authorized to be expended by the Department of Community Col-
 42 leges and Workforce Development for a period ending July 1, 2015, from revenues dedicated, con-
 43 tinuously appropriated, appropriated or otherwise made available for the purpose of administering
 44 and enforcing the duties, functions and powers transferred from the Department of Community Col-
 45 leges and Workforce Development to the Higher Education Coordinating Commission by the

1 amendments to statutes by sections 1 to 99, **chapter 366, Oregon Laws 2015**, [of this 2015 Act] by
 2 acquiring, constructing, improving, repairing, equipping and furnishing buildings, structures, land
 3 and other projects at community colleges pursuant to section 7 (3) and (9), chapter 904, Oregon
 4 Laws 2009, are transferred to and are available for expenditure by the Higher Education Coordinating
 5 Commission for the six-year period specified for the purpose of administering and enforcing
 6 the duties, functions and powers transferred by the amendments to statutes by sections 1 to 99,
 7 **chapter 366, Oregon Laws 2015** [of this 2015 Act].

8 (4) The unexpended balances authorized to be expended by the Department of Community Col-
 9 leges and Workforce Development for a four-year period beginning July 1, 2015, from revenues ded-
 10 icated, continuously appropriated, appropriated or otherwise made available for the purpose of
 11 administering and enforcing the duties, functions and powers transferred from the Department of
 12 Community Colleges and Workforce Development to the Higher Education Coordinating Commission
 13 by the amendments to statutes by sections 1 to 99, **chapter 366, Oregon Laws 2015**, [of this 2015
 14 Act] by acquiring, constructing, improving, repairing, equipping and furnishing buildings, structures,
 15 land and other projects at community colleges pursuant to section 6 (2) to (5), (8), (9), (11) and (14),
 16 chapter 727, Oregon Laws 2013, and sections 3 (1) and 4, chapter 120, Oregon Laws 2014, are
 17 transferred to and are available for expenditure by the Higher Education Coordinating Commission
 18 for the four-year period specified for the purpose of administering and enforcing the duties, functions
 19 and powers transferred by the amendments to statutes by sections 1 to 99, **chapter 366, Oregon
 20 Laws 2015** [of this 2015 Act].

21 **SECTION 11.** ORS 292.406 is amended to read:

22 292.406. (1)(a) The annual salary of the Chief Judge of the Court of Appeals shall be \$135,688
 23 for the year beginning January 1, 2015, and for each year thereafter.

24 **(b) On January 1, 2017, the annual salary of the Chief Judge of the Court of Appeals, as
 25 adjusted under ORS 292.428, shall be increased by \$5,000.**

26 (2)(a) The annual salary of each other judge of the Court of Appeals shall be \$132,820 for the
 27 year beginning January 1, 2015, and for each year thereafter.

28 **(b) On January 1, 2017, the annual salary of each other judge of the Court of Appeals,
 29 as adjusted under ORS 292.428, shall be increased by \$5,000.**

30 **SECTION 12.** ORS 292.411 is amended to read:

31 292.411. (1)(a) The annual salary of the Chief Justice of the Supreme Court shall be \$138,556 for
 32 the year beginning January 1, 2015, and for each year thereafter.

33 **(b) On January 1, 2017, the annual salary of the Chief Justice of the Supreme Court, as
 34 adjusted under ORS 292.428, shall be increased by \$5,000.**

35 (2)(a) The annual salary of each other judge of the Supreme Court shall be \$135,688 for the year
 36 beginning January 1, 2015, and for each year thereafter.

37 **(b) On January 1, 2017, the annual salary of each other judge of the Supreme Court, as
 38 adjusted under ORS 292.428, shall be increased by \$5,000.**

39 **SECTION 13.** ORS 292.416 is amended to read:

40 292.416. (1) The annual salary of each judge of a circuit court shall be \$124,468 for the year
 41 beginning January 1, 2015, and for each year thereafter.

42 **(2) On January 1, 2017, the annual salary of each judge of a circuit court, as adjusted
 43 under ORS 292.428, shall be increased by \$5,000.**

44 **SECTION 14.** ORS 292.426 is amended to read:

45 292.426. (1) The annual salary of the judge of the Oregon Tax Court shall be \$128,164 for the

1 year beginning January 1, 2015, and for each year thereafter.

2 (2) On January 1, 2017, the annual salary of the judge of the Oregon Tax Court, as ad-
3 justed under ORS 292.428, shall be increased by \$5,000.

4 **SECTION 15.** (1) The Oregon Capitol History Gateway Fund is established in the State
5 Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Cap-
6 itol History Gateway Fund shall be credited to the fund. Moneys in the fund are continuously
7 appropriated to the Legislative Administration Committee for payment of expenses of es-
8 tablishing or operating the Oregon Capitol History Gateway.

9 (2) The Legislative Administration Committee may solicit and accept gifts, grants and
10 donations from the Oregon State Capitol Foundation and other public and private sources for
11 the purposes of establishing or operating the Oregon Capitol History Gateway. Moneys re-
12 ceived by the committee under this subsection must be deposited into the Oregon Capitol
13 History Gateway Fund.

14 **SECTION 16.** (1) The Oregon State Capitol Foundation Operating Fund is established in
15 the State Treasury, separate and distinct from the General Fund. Interest earned by the
16 Oregon State Capitol Foundation Operating Fund shall be credited to the fund. Moneys in the
17 fund are continuously appropriated to the Legislative Administration Committee for payment
18 of operating expenses of the Oregon State Capitol Foundation.

19 (2) The Legislative Administration Committee may solicit and accept gifts, grants and
20 donations from the Oregon State Capitol Foundation and other public and private sources for
21 the purposes of payment of operating expenses of the Oregon State Capitol Foundation.
22 Moneys received by the committee under this subsection must be deposited into the Oregon
23 State Capitol Foundation Operating Fund.

24 **SECTION 17.** (1) Notwithstanding ORS 221.770, 471.805 and 471.810, and in addition to any
25 transfers or expenditures otherwise required or authorized by law from the Oregon Liquor
26 Control Commission Account, the amount of \$3,974,842 is transferred from the Oregon Li-
27 quor Control Commission Account to the Public Health Account established by ORS 431.210.
28 The transfer shall be made on April 27, 2016. The transfer made under this subsection shall
29 be made from moneys in the Oregon Liquor Control Commission Account on the effective
30 date of this 2016 Act before any distributions required by ORS 471.810 are made.

31 (2) The Oregon Health Authority shall expend the moneys transferred under subsection
32 (1) of this section to pay the expenses of establishing an evidence-based pilot project for the
33 purpose of increasing awareness among youth of the impact of using marijuana and
34 marijuana-derived products, as required by section 71, chapter _____, Oregon Laws 2016
35 (Enrolled House Bill 4014).

36 (3) Notwithstanding section 44, chapter 1, Oregon Laws 2015, not later than September
37 30, 2017, the Department of Revenue shall transfer from the Oregon Marijuana Account es-
38 tablished by section 44, chapter 1, Oregon Laws 2015, to the Oregon Liquor Control Com-
39 mission for deposit in the Oregon Liquor Control Commission Account an amount equal to
40 the total amount transferred under subsection (1) of this section plus two percent of the
41 total amount transferred. The department shall make the transfer required by this sub-
42 section before making any other withholding, distribution or expenditure from the Oregon
43 Marijuana Account for purposes described in section 44, chapter 1, Oregon Laws 2015.

44 **SECTION 18.** ORS 348.696 is amended to read:

45 348.696. (1) Pursuant to [section 4 (4)(d),] Article XV, section 4 (4)(d), of the Oregon Constitu-

1 tion, the Education Stability Fund is established separate and distinct from the General Fund.
2 Moneys in the Education Stability Fund shall be invested as provided in ORS 293.701 to 293.790.
3 Except as provided in subsection (2) of this section, all declared earnings on moneys in the fund,
4 **including declared earnings on moneys in the Oregon Growth Account**, shall be transferred and
5 are appropriated continuously as follows:

6 (a) 75 percent to the Oregon Education Fund established by ORS 348.716; and

7 (b) 25 percent to the Higher Education Coordinating Commission for the Oregon Opportunity
8 Grant program under ORS 348.260.

9 (2) If the Director of the Oregon Department of Administrative Services determines for any
10 biennium that the amount to be transferred and appropriated continuously to the Oregon Education
11 Fund under subsection (1)(a) of this section exceeds the amount needed to pay for public education
12 and education lottery bond debt service in that biennium, the amount of the excess for that biennium
13 shall be transferred and is appropriated continuously to the Higher Education Coordinating Com-
14 mission for the Oregon Opportunity Grant program under ORS 348.260.

15 **SECTION 19.** ORS 284.885 is amended to read:

16 284.885. The Oregon Growth Board has the following duties, functions and powers:

17 (1) To maintain, invest and reinvest moneys in the Oregon Growth Fund established under ORS
18 284.890 consistent with the policies and procedures established by the board and the investment
19 standard stated in ORS 293.726, including but not limited to the creation and maintenance of one
20 or more investment funds within the Oregon Growth Fund. In exercising its authority under this
21 subsection, the board may include economic factors, including but not limited to job retention and
22 creation, as considerations in making investment decisions.

23 (2) To maintain, invest and reinvest moneys in the Oregon Growth Account established under
24 ORS 348.702 consistent with the policies and procedures established by the board and the investment
25 standard stated in ORS 293.726 and for the purpose of earning returns for the Education Stability
26 Fund. Policies established by the board under this subsection shall include, but are not limited to,
27 the determination of when and how earnings are calculated and declared available from the account
28 [*on behalf of the Education Stability Fund*] **for transfer as provided in ORS 348.696 (1).**

29 (3) To make and enter into contracts, agreements or arrangements for the investment and man-
30 agement of moneys in the Oregon Growth Account and the Oregon Growth Fund as provided in ORS
31 284.887 and for other services the board deems reasonable and necessary to fulfill the duties of the
32 board under this section.

33 (4)(a) With respect to the Oregon Growth Account, to make, purchase, guarantee or hold loans,
34 including but not limited to participation interests in loans, made to or from the Oregon Growth
35 Account for the purpose of earning returns for the Education Stability Fund.

36 (b) With respect to the Oregon Growth Fund, to make, purchase, guarantee or hold grants and
37 loans, including but not limited to competitive grants and participation interests in loans, made to
38 or from the Oregon Growth Fund for the benefit of qualified businesses for the purpose of furthering
39 economic development.

40 (5) To qualify or certify businesses that invest in the Oregon Growth Account or the Oregon
41 Growth Fund for any investment incentive approved by the board.

42 (6) To collaborate, cooperate and enter into agreements with local governments, state agencies,
43 financial institutions and other entities as appropriate to:

44 (a) Provide financial services and support to businesses for the purpose of furthering economic
45 development;

1 (b) Coordinate actions, responsibilities and resources that further economic development; and

2 (c) Delegate between the board and a local government or state agency any duties, functions
3 or powers that the board, local government or state agency is authorized to perform if consistent
4 with and necessary to the administration of ORS 284.881 to 284.890. Delegation of duties, functions
5 or powers under this paragraph must be done pursuant to written agreement.

6 (7) To seek, solicit, obtain and accept local, state, federal and private resources and donations
7 for deposit into the Oregon Growth Account and the Oregon Growth Fund to aid in the adminis-
8 tration of ORS 284.881 to 284.890.

9 (8) To adopt rules that:

10 (a) Specify the board's permissible investments and the activities and services that the board
11 may provide or engage in;

12 (b) Create guidelines regarding the amount and type of leverage to maximize investments and
13 any other resources available to, and subject to the authority of, the board;

14 (c) Provide a means to evaluate the performance of investments, including, but not limited to,
15 the number of businesses assisted, the types and amount of resources leveraged and returns on in-
16 vestment, and to evaluate impact on jobs and wages in this state; and

17 (d) Establish other requirements that the board considers necessary for the exercise of the
18 board's duties, functions and powers under ORS 284.881 to 284.890.

19 (9) To make recommendations to the Legislative Assembly regarding:

20 (a) Appropriations of General Fund moneys to the Oregon Growth Fund;

21 (b) The terms of income and corporate excise tax subtractions or other tax expenditures, as
22 defined in ORS 291.201, that will promote and create private investment in the Oregon Growth Fund;

23 (c) Incentives for private sector investment that further investment, capital availability, job
24 creation and economic development;

25 (d) The use of moneys in the Oregon Growth Account to earn returns for the Education Stability
26 Fund; and

27 (e) Legislation needed to further economic development.

28 (10) To report annually to standing and interim committees of the Legislative Assembly related
29 to business and economic development regarding implementation and administration of the Oregon
30 Growth Board and investments made by the board pursuant to this section.

31 **SECTION 20. This 2016 Act being necessary for the immediate preservation of the public**
32 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**
33 **on its passage.**

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