

Enrolled
House Bill 3470

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

CHAPTER

AN ACT

Relating to state financial administration; creating new provisions; amending ORS 327.008, 458.555, 458.558, 458.563, 458.578 and 458.580 and sections 7 and 8, chapter 604, Oregon Laws 2011, section 4, chapter 578, Oregon Laws 2013, section 3, chapter 106, Oregon Laws 2014, section 44, chapter 1, Oregon Laws 2015, section 4, chapter 763, Oregon Laws 2015, section 29, chapter 765, Oregon Laws 2015, and section 28, chapter ___, Oregon Laws 2017 (Enrolled House Bill 2795); repealing ORS 469.960, 469.961, 469.962, 469.963, 469.964, 469.965 and 469.966 and sections 49 and 50, chapter ___, Oregon Laws 2017 (Enrolled Senate Bill 908); and declaring an emergency.

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

ADMINISTRATION

SECTION 1. Notwithstanding ORS 173.240:

(1) The Legislative Counsel and the Legislative Fiscal Officer shall conduct a review of state law governing the investment by the State Treasurer of the funds of this state and of local and tribal governments. The purpose of the review is to:

- (a) Identify deficiencies in current law; and
- (b) Make recommendations to clarify, simplify, consolidate and update the existing statutory framework.

(2) For purposes of the review, the Legislative Counsel and the Legislative Fiscal Officer may consult with the Department of Justice and the State Treasurer and any other officer or employee of this state or of any local or tribal government.

(3) The Legislative Counsel and the Legislative Fiscal Officer shall submit a report in the manner provided in ORS 192.245, and may include recommendations for legislation, to the Joint Committee on Ways and Means, or the Joint Interim Committee on Ways and Means, no later than December 31, 2017.

SECTION 2. Section 1 of this 2017 Act is repealed on January 2, 2018.

SECTION 3. (1) Notwithstanding ORS 221.770, 471.805 and 471.810, for the biennium beginning July 1, 2017, the Oregon Liquor Control Commission may expend moneys from the Oregon Liquor Control Commission Account to pay any expenses incurred by the commission in implementing and carrying out duties under ORS 475B.010 to 475B.395. Any expenditure made under this subsection is considered a loan and must be repaid as provided in subsection (2) of this section.

(2) Not later than June 30, 2019, the commission shall transfer from the Marijuana Control and Regulation Fund to the Oregon Liquor Control Commission Account an amount

equal to the total amount expended under subsection (1) of this section, plus an amount of simple interest calculated at two percent per annum of the total amount expended.

EDUCATION

SECTION 4. Section 4, chapter 763, Oregon Laws 2015, is amended to read:

Sec. 4. [Section 3 of this 2015 Act] **ORS 327.376** and the amendments to [section 1 of this 2015 Act] **ORS 327.372** by section 2 [of this 2015 Act], **chapter 763, Oregon Laws 2015**, become operative on July 1, [2017] **2019**.

HUMAN SERVICES

SECTION 5. Section 3, chapter 106, Oregon Laws 2014, as amended by section 1, chapter 776, Oregon Laws 2015, is amended to read:

Sec. 3. Section 2, chapter 106, Oregon Laws 2014, is repealed on June 30, [2018] **2020**.

SECTION 6. Section 7, chapter 604, Oregon Laws 2011, as amended by section 24, chapter 722, Oregon Laws 2013, and section 23, chapter 765, Oregon Laws 2015, is amended to read:

Sec. 7. (1) The amendments to ORS 412.009, 412.014 and 412.024 by sections 2, 3 and 5, chapter 604, Oregon Laws 2011, become operative on October 1, 2011.

(2) The amendments to ORS 412.014 by section 4, chapter 604, Oregon Laws 2011, become operative on July 1, [2017] **2019**.

SECTION 7. Section 8, chapter 604, Oregon Laws 2011, as amended by section 25, chapter 722, Oregon Laws 2013, and section 24, chapter 765, Oregon Laws 2015, is amended to read:

Sec. 8. Section 1, chapter 604, Oregon Laws 2011, **as amended by section 82, chapter 107, Oregon Laws 2012, section 23, chapter 722, Oregon Laws 2013, and section 22, chapter 765, Oregon Laws 2015**, is repealed on July 1, [2017] **2019**.

SECTION 8. Section 29, chapter 765, Oregon Laws 2015, is amended to read:

Sec. 29. (1) [Section 4 of this 2015 Act] **ORS 412.007** and the amendments to ORS 411.635, 412.001, 412.009, 412.079 and 412.124 by sections 6, 10, 12, 19 and 26 [of this 2015 Act], **chapter 765, Oregon Laws 2015**, become operative on April 1, 2016.

(2) The amendments to ORS 412.124 by section 7 [of this 2015 Act], **chapter 765, Oregon Laws 2015**, become operative on July 1, [2017] **2019**.

ECONOMIC DEVELOPMENT

SECTION 9. ORS 458.555 is amended to read:

458.555. (1) There is established the Oregon Volunteers Commission for Voluntary Action and Service within the [Housing and Community Services Department] **Office of the Governor**.

(2) The commission shall consist of at least 15 members appointed by the Governor and may consist of not more than 25 members appointed by the Governor.

(3) The term of office of each member is three years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on the first day of the next following month. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(4) The appointment of the members of the commission is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(5) A member of the commission is entitled to receive, from moneys available to the commission, actual and necessary travel and other expenses incurred in the performance of official duties as provided in ORS 292.495.

SECTION 10. ORS 458.558 is amended to read:

458.558. (1) The members of the Oregon Volunteers Commission for Voluntary Action and Service must be citizens of this state who have a proven commitment to community service and who have a demonstrated interest in fostering and nurturing citizen involvement as a strategy for strengthening communities and promoting the ethic of service in all sectors of this state.

(2) The Governor shall appoint as members of the commission at least one of each of the following:

(a) An individual with experience in educational, training and development needs of youth, particularly disadvantaged youth.

(b) An individual with experience in promoting involvement of older adults in service and volunteerism.

(c) A representative of community-based agencies or organizations within this state.

(d) The Deputy Superintendent of Public Instruction or designee.

(e) A representative of local governments in this state.

(f) A representative of local labor unions in this state.

(g) A representative of business.

(h) A person at least 16, but not more than 25, years of age who is a participant or supervisor in a national service program.

(i) A representative of a national service program described in 42 U.S.C. 12572(a).

(3) In addition to appointing members under subsection (2) of this section, the Governor may appoint as members individuals from the following groups:

(a) Educators.

(b) Experts in the delivery of human, educational, environmental or public safety services to communities and individuals.

(c) Members of Native American tribes.

(d) At-risk youths who are out of school.

(e) Entities that receive assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

[(f) A director or representative of a CASA Volunteer Program.]

[(g) A court appointed special advocate.]

(4) In making appointments of members described in subsections (2) and (3) of this section, the Governor shall ensure that:

(a) No more than 50 percent of the appointed members are from the same political party; and

(b) No more than 25 percent of the appointed members are state employees.

SECTION 11. ORS 458.563 is amended to read:

458.563. (1) The Oregon Volunteers Commission for Voluntary Action and Service shall appoint a director to serve at the pleasure of the [*commission*] **Governor**. The director must have experience and education in public administration or nonprofit management.

(2) The designation of the director must be by written order, filed with the Secretary of State.

(3) Subject to any applicable provisions of the State Personnel Relations Law, the director shall appoint all subordinate officers and employees of the commission, prescribe their duties and fix their compensation.

(4) The director of the commission shall report to, and comply with the directions of, the [*Director of the Housing and Community Services Department*] **Office of the Governor** in the development and administration of nonpolicymaking activities, including but not limited to rules and other directions for commission personnel, fiscal practices and purchasing of commission supplies.

SECTION 12. ORS 458.578 is amended to read:

458.578. (1) The Legislative Assembly declares that the purpose of this section is to promote the development of better communities by using citizen participation and volunteerism to foster greater civic responsibility.

(2) The Oregon Volunteers Commission for Voluntary Action and Service shall identify goals to develop and facilitate the initiation of public and private entity programs that will encourage and reward citizen participation and volunteerism. [*The Housing and Community Services Department*

may adopt rules and develop procedures appropriate to foster the initiation of programs that fulfill the citizen participation and volunteerism goals recommended by the commission.] The programs developed and facilitated by the commission goals *[and department rules and procedures]* must have one or more of the following objectives:

(a) To place increased priority on citizen participation and volunteerism as a means for addressing complex problems facing Oregon communities.

(b) To encourage community leaders to implement strategies that recognize community volunteers as a valuable and much-needed asset for expanding civic responsibility.

(c) To promote the concept and practice of business and corporate volunteering, with emphasis on communities where business and corporate volunteering initiatives are less developed.

(d) To increase the enthusiasm, dedication and combined expertise of citizens and public and private entities for creating new ways to effectively use citizen participation and volunteerism in meeting the current and future challenges facing Oregon communities.

(e) To increase the alignment between community volunteer resources and the goals of the state.

(f) To implement policy and administrative changes that encourage and enable citizen participation and volunteerism by individuals.

(g) To encourage nonprofit agencies to increase effectiveness and efficiency by including the use of volunteers in their service delivery systems.

(h) To promote and support the concept of participation and volunteerism by all citizens as an effective means to address community needs and achieve a collective commitment to lifelong community service.

(i) To recognize National Volunteer Week as a time for encouraging citizens to participate in community service projects.

(j) To recognize the importance of individual volunteers and of volunteer and service organizations and to honor and celebrate the success of volunteers.

SECTION 13. ORS 458.580 is amended to read:

458.580. As used in ORS 419B.112, ~~[458.558,]~~ 458.581 and 458.582:

(1) "CASA Volunteer Program" means a program that is approved or sanctioned by a juvenile court, has received accreditation from the National CASA Association and has entered into a contract with the Oregon Volunteers Commission for Voluntary Action and Service under ORS 458.581 to recruit, train and supervise volunteers to serve as court appointed special advocates.

(2) "Court appointed special advocate" means a person in a CASA Volunteer Program who is appointed by the court to act as a court appointed special advocate pursuant to ORS 419B.112.

TRANSPORTATION

SECTION 14. Notwithstanding ORS 367.080 to 367.086, for the biennium beginning July 1, 2017, the Department of Transportation shall first transfer the amount of \$3 million, out of the moneys received from the repayment of loans from the Connect Oregon Fund, to the Oregon Business Development Department for deposit into the Oregon Business Development Fund established under ORS 285B.092, for the purpose of providing a grant to the Oregon Manufacturing Innovation Center to advance manufacturing technologies through applied research and development relating to marine, freight and aviation transportation.

LEGISLATIVE BRANCH

SECTION 15. Section 4, chapter 578, Oregon Laws 2013, as amended by section 5, chapter 840, Oregon Laws 2015, is amended to read:

Sec. 4. The amendments to ORS 171.072, 292.912 and 292.930 by sections 1 to 3, chapter 578, Oregon Laws 2013, apply to salaries established for biennia beginning on or after July 1, ~~[2017]~~ **2019**.

SECTION 16. If this 2017 Act does not become effective until after June 30, 2017, the amendments to section 4, chapter 578, Oregon Laws 2013, by section 15 of this 2017 Act shall be operative retroactively to that date, and the operation and effect of section 4, chapter 578, Oregon Laws 2013, as amended by section 5, chapter 840, Oregon Laws 2015, and section 15 of this 2017 Act, shall continue unaffected from June 30, 2017, to the effective date of this 2017 Act. Any otherwise lawful action taken or otherwise lawful obligation incurred under the authority of section 4, chapter 578, Oregon Laws 2013, as amended by section 5, chapter 840, Oregon Laws 2015, and section 15 of this 2017 Act, after June 30, 2017, and before the effective date of this 2017 Act, is ratified and approved.

SECTION 17. If Senate Bill 1022 becomes law, section 4, chapter 578, Oregon Laws 2013, as amended by section 5, chapter 840, Oregon Laws 2015, and section 15 of this 2017 Act, is amended to read:

Sec. 4. The amendments to ORS 171.072[, 292.912 and 292.930 by sections 1 to 3] by section 1, chapter 578, Oregon Laws 2013, apply to salaries established for biennia beginning on or after July 1, 2019.

SECTION 18. The amendments to section 4, chapter 578, Oregon Laws 2013, by section 17 of this 2017 Act become operative on January 1, 2018.

JUDICIAL BRANCH

SECTION 19. Notwithstanding any other law, the governing body of a county may, after consulting with the presiding judge of the circuit court, use up to one-half of the moneys distributed to the county by the Chief Justice of the Supreme Court from moneys appropriated to the Judicial Department for the purpose of operating law libraries or providing law library services, for the purpose of providing conciliation and mediation services in circuit courts.

SECTION 19a. If House Bill 2795 becomes law, section 28, chapter ___, Oregon Laws 2017 (Enrolled House Bill 2795), is amended to read:

Sec. 28. The amendments to ORS 21.006 by section 27, chapter ___, Oregon Laws 2017 (Enrolled House Bill 2795), [of this 2017 Act] apply to fees collected on or after [October] July 1, 2017.

NATURAL RESOURCES

SECTION 20. An expenditure of moneys from the Water Supply Development Account is not subject to any application process or public benefit scoring or ranking under ORS 541.663, 541.666, 541.669, 541.673 or 541.677 if the expenditure is for a purpose:

(1) Specifically identified in an appropriation to the account from the General Fund for the biennium beginning July 1, 2017, for carrying out the purpose; or

(2) Specifically identified in legislation enacted by the Seventy-ninth Legislative Assembly that authorizes a transfer of lottery bond proceeds to the account for carrying out the purpose.

SECTION 21. Section 20 of this 2017 Act is repealed July 1, 2021.

SECTION 22. ORS 469.960, 469.961, 469.962, 469.963, 469.964, 469.965 and 469.966 are repealed.

SECTION 22a. If Senate Bill 908 becomes law, sections 49 (amending ORS 469.963) and 50 (amending ORS 469.966), chapter ___, Oregon Laws 2017 (Enrolled Senate Bill 908), are repealed.

TRANSFERS FOR GENERAL GOVERNMENTAL PURPOSES

SECTION 23. (1) The Alternative Fuel Vehicle Revolving Fund established under ORS 469.961 is abolished on the effective date of this 2017 Act.

(2) Any moneys remaining in the fund specified in subsection (1) of this section on the effective date of this 2017 Act shall be transferred, on the effective date of this 2017 Act, to the General Fund for general governmental purposes.

SECTION 24. Notwithstanding ORS 30.282, 30.285, 278.425, 655.515 and 655.540, the amount of \$33,300,000 is transferred from the Insurance Fund to the General Fund for general governmental purposes. The transfer shall be made on May 31, 2019.

SECTION 25. Notwithstanding ORS 283.076, the amount of \$18,500,000 is transferred from the Oregon Department of Administrative Services Operating Fund to the General Fund for general governmental purposes. The transfer shall be made on May 31, 2019.

SECTION 26. Notwithstanding ORS 291.041, the amount of \$10,500,000 is transferred from the State Information Technology Operating Fund to the General Fund for general governmental purposes. The transfer shall be made on May 31, 2019.

SECTION 27. Notwithstanding ORS 180.095, the amount of \$46,000,000 is transferred from the Department of Justice Protection and Education Revolving Account to the General Fund for general governmental purposes. The transfer shall be made on May 31, 2019.

SECTION 28. Notwithstanding ORS 357.200, the amount of \$40,000 is transferred from the Miscellaneous Receipts Account to the General Fund for general governmental purposes. The transfer shall be made on the effective date of this 2017 Act.

SECTION 29. The transfers described in sections 23, 24, 25, 26, 27 and 28 of this 2017 Act shall be made from moneys maintained, on the effective date of this 2017 Act, in the funds or accounts from which the transfers are made.

MARIJUANA REVENUE DISTRIBUTION

SECTION 30. Section 31 of this 2017 Act is added to and made a part of ORS 475B.700 to 475B.760.

SECTION 31. (1) Not later than 30 days before the beginning of each calendar quarter, the Oregon Department of Administrative Services shall forecast and prepare an estimate of the revenue that will be received during the remainder of the current biennium and subsequent three biennia pursuant to the tax imposed under ORS 475B.705. The estimate may be made on the basis of all pertinent information available to the Oregon Department of Administrative Services. Upon making the estimate, the Oregon Department of Administrative Services shall report the estimate to the Legislative Revenue Officer, the Legislative Fiscal Officer and the Department of Revenue.

(2) The Department of Revenue and the Oregon Liquor Control Commission shall provide the Oregon Department of Administrative Services with any information necessary for the Oregon Department of Administrative Services to perform its duties under this section.

SECTION 32. Section 44, chapter 1, Oregon Laws 2015, as amended by section 14, chapter 699, Oregon Laws 2015, and section 219, chapter 767, Oregon Laws 2015, is amended to read:

Sec. 44. [(1) *There is established the Oregon Marijuana Account, separate and distinct from the General Fund.*]

[(2) *The account shall consist of moneys transferred to the account under section 11 of this 2015 Act.*]

[(3) *Subject to subsection (4) of this section, the Department of Revenue shall certify the amount of moneys available for distribution in the Oregon Marijuana Account and distribute the moneys as follows:*]

[(a) *Forty percent must be transferred to the Common School Fund;*]

[(b) *Twenty percent must be transferred to the Mental Health Alcoholism and Drug Services Account established under ORS 430.380;*]

[(c) *Fifteen percent must be transferred to the State Police Account established under ORS 181.175;*]

[(d) To assist local law enforcement in performing its duties under sections 3 to 70, chapter 1, Oregon Laws 2015, 10 percent must be transferred to the cities of this state in the following shares:]

[(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such shares as the population of each city bears to the population of the cities of this state, as determined by Portland State University last preceding such apportionment, under ORS 190.510 to 190.610; and]

[(B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:]

[(i) Fifty percent of the 10 percent must be transferred in such shares as the number of licenses issued by the commission under sections 19 to 21, chapter 1, Oregon Laws 2015, during the calendar year preceding the date of the distribution for premises located in each city bears to the number of such licenses issued by the commission during such calendar year for all premises in this state; and]

[(ii) Fifty percent of the 10 percent must be transferred in such shares as the number of licenses issued by the commission under section 22, chapter 1, Oregon Laws 2015, during the calendar year preceding the date of the distribution for premises located in each city bears to the number of such licenses issued by the commission during such calendar year for all premises in this state;]

[(e) To assist local law enforcement in performing its duties under sections 3 to 70, chapter 1, Oregon Laws 2015, 10 percent must be transferred to counties in the following shares:]

[(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such shares as their respective populations bear to the total population of this state, as estimated from time to time by Portland State University; and]

[(B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:]

[(i) Fifty percent of the 10 percent must be transferred in such shares as the number of licenses issued by the commission under sections 19 to 21, chapter 1, Oregon Laws 2015, during the calendar year preceding the date of the distribution for premises located in each county bears to the number of such licenses issued by the commission during such calendar year for all premises in this state; and]

[(ii) Fifty percent of the 10 percent must be transferred in such shares as the number of licenses issued by the commission under section 22, chapter 1, Oregon Laws 2015, during the calendar year preceding the date of the distribution for premises located in each county bears to the number of such licenses issued by the commission during such calendar year for all premises in this state; and]

[(f) Five percent must be transferred to the Oregon Health Authority to be used for the establishment, operation and maintenance of alcohol and drug abuse prevention, early intervention and treatment services.]

[(4) A city or county that adopts ordinances prohibiting the establishment of a premises for which a license is issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, or prohibiting the establishment of an entity for which registration is required under ORS 475.300 to 475.346, is not eligible to receive distributions under this section.]

[(5) It is the intent of the Legislative Assembly that the moneys distributed from the Oregon Marijuana Account to the persons listed in subsection (3) of this section are in addition to, and not in lieu of, any other moneys available to such persons.]

(1) There is established the Oregon Marijuana Account, separate and distinct from the General Fund.

(2) The account shall consist of moneys transferred to the account under ORS 475B.760.

(3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the Oregon Marijuana Account.

(b) Subject to subsection (4) of this section, the department shall transfer quarterly 20 percent of the moneys in the Oregon Marijuana Account as follows:

(A) Ten percent of the moneys in the account must be transferred to the cities of this state in the following shares:

(i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the population of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a) of this section compared to the population of all cities of this state that are not exempt from this paragraph pursuant to subsection (4)(a) of this section, as determined

by Portland State University under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

(ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.110 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each city compared to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.110 on the last business day of that calendar quarter for all premises in this state located in cities; and

(B) Ten percent of the moneys in the account must be transferred to counties in the following shares:

(i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the last business day of the calendar quarter preceding the date of the transfer for all premises located in each county compared to the total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the last business day of that calendar quarter for all premises located in this state; and

(ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.110 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each county compared to the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.110 on the last business day of that calendar quarter for all premises in this state.

(c) Eighty percent of the moneys in the Oregon Marijuana Account must be used as follows:

(A) Forty percent of the moneys in the account must be used solely for purposes for which moneys in the State School Fund established under ORS 327.008 may be used;

(B) Twenty percent of the moneys in the account must be used solely for purposes for which moneys in the Mental Health Alcoholism and Drug Services Account established under ORS 430.380 may be used;

(C) Fifteen percent of the moneys in the account must be used solely for purposes for which moneys in the State Police Account established under ORS 181A.020 may be used; and

(D) Five percent of the moneys in the account must be used solely for purposes related to alcohol and drug abuse prevention, early intervention and treatment services.

(4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110 is required is not eligible to receive transfers of moneys under subsection (3)(b)(A) of this section.

(b) A county that has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under subsection (3)(b)(B)(i) of this section.

(c) A county that has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.090, 475B.100 or 475B.110 is required is not eligible to receive transfers of moneys under subsection (3)(b)(B)(ii) of this section.

(5) In a form and manner prescribed by the Oregon Liquor Control Commission, each city and county in this state shall certify with the commission whether the city or county has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110 is required. If a city fails to comply with this subsection, the city is not eligible to receive transfers of moneys under subsection (3)(b)(A) of this section. If a county fails to comply with this subsection, the county is not eligible to receive transfers of moneys under subsection (3)(b)(B) of this section.

SECTION 33. ORS 327.008 is amended to read:

327.008. (1)(a) There is established a State School Fund in the General Fund.

(b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the State School Fund. Moneys received as provided in this paragraph shall be deposited into the State School Fund.

(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly, moneys transferred from the Education Stability Fund **and the Oregon Marijuana Account** and moneys received as provided in paragraph (b) of this subsection.

(d) The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws 2013.

(2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant and a transportation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.011 and 327.013.

(3) For the first school year after a public charter school ceases to operate because of dissolution or closure or because of termination or nonrenewal of a charter, there shall be apportioned from the State School Fund to each school district that had sponsored a public charter school that ceased to operate an amount equal to the school district's general purpose grant per extended ADMw multiplied by five percent of the ADM of the public charter school for the previous school year.

(4) There shall be apportioned from the State School Fund to each education service district a State School Fund grant as calculated under ORS 327.019.

(5) All figures used in the determination of the distribution of the State School Fund shall be estimates for the same year as the distribution occurs, unless otherwise specified.

(6) Numbers of students in average daily membership used in the distribution formula shall be the numbers as of June of the year of distribution.

(7) A school district may not use the portion of the State School Fund grant that is attributable to the facility grant for capital construction costs.

(8) The total amount of the State School Fund that is distributed as facility grants may not exceed \$9 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant. If the total amount to be distributed as facility grants does not exceed this limitation, any remaining amounts shall be expended for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

(9) Each biennium, the Department of Education may expend from the State School Fund no more than \$6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2) to (6).

(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in ORS 327.022 the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

(11) Each fiscal year, the Department of Education shall transfer the amount of \$35 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(12)(a) Each biennium, the Department of Education shall transfer \$33 million from the State School Fund to the Network of Quality Teaching and Learning Fund established under ORS 342.953.

(b) For the purpose of making the transfer under this subsection:

(A) The total amount available for all distributions from the State School Fund shall be reduced by \$5 million;

(B) The amount distributed to school districts from the State School Fund under this section and ORS 327.013 shall be reduced by \$14 million; and

(C) The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by \$14 million.

(c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection shall be adjusted by the same percentage by which the amount appropriated to the State School Fund for that biennium is increased or decreased compared with the preceding biennium, as determined by the Department of Education after consultation with the Legislative Fiscal Officer.

(13) Each biennium, the Department of Education shall transfer \$12.5 million from the State School Fund to the Statewide English Language Learner Program Account established under ORS 327.344.

(14) Each fiscal year, the Department of Education may expend up to \$550,000 from the State School Fund for the contract described in ORS 329.488. The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by the amount expended by the department under this subsection.

(15) Each biennium, the Department of Education may expend up to \$350,000 from the State School Fund to provide administration of and support for the development of talented and gifted education under ORS 343.404.

(16) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

(17) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from the State School Fund to the Small School District Supplement Fund established in section 3, chapter 735, Oregon Laws 2013.

SECTION 34. ORS 327.008, as amended by section 7, chapter 735, Oregon Laws 2013, section 7, chapter 81, Oregon Laws 2014, section 2, chapter 68, Oregon Laws 2015, section 38, chapter 245, Oregon Laws 2015, section 2, chapter 555, Oregon Laws 2015, section 11, chapter 604, Oregon Laws 2015, section 2, chapter 644, Oregon Laws 2015, and section 8, chapter 783, Oregon Laws 2015, is amended to read:

327.008. (1)(a) There is established a State School Fund in the General Fund.

(b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the State School Fund. Moneys received as provided in this paragraph shall be deposited into the State School Fund.

(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly, moneys transferred from the Education Stability Fund **and the Oregon Marijuana Account** and moneys received as provided in paragraph (b) of this subsection.

(d) The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961.

(2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant and a transportation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.011 and 327.013.

(3) For the first school year after a public charter school ceases to operate because of dissolution or closure or because of termination or nonrenewal of a charter, there shall be apportioned from the State School Fund to each school district that had sponsored a public charter school that ceased to operate an amount equal to the school district's general purpose grant per extended ADMw multiplied by five percent of the ADM of the public charter school for the previous school year.

(4) There shall be apportioned from the State School Fund to each education service district a State School Fund grant as calculated under ORS 327.019.

(5) All figures used in the determination of the distribution of the State School Fund shall be estimates for the same year as the distribution occurs, unless otherwise specified.

(6) Numbers of students in average daily membership used in the distribution formula shall be the numbers as of June of the year of distribution.

(7) A school district may not use the portion of the State School Fund grant that is attributable to the facility grant for capital construction costs.

(8) The total amount of the State School Fund that is distributed as facility grants may not exceed \$9 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant. If the total amount to be distributed as facility grants does not exceed this limitation, any remaining amounts shall be expended for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

(9) Each biennium, the Department of Education may expend from the State School Fund no more than \$6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2) to (6).

(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in ORS 327.022 the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

(11) Each fiscal year, the Department of Education shall transfer the amount of \$35 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(12)(a) Each biennium, the Department of Education shall transfer \$33 million from the State School Fund to the Network of Quality Teaching and Learning Fund established under ORS 342.953.

(b) For the purpose of making the transfer under this subsection:

(A) The total amount available for all distributions from the State School Fund shall be reduced by \$5 million;

(B) The amount distributed to school districts from the State School Fund under this section and ORS 327.013 shall be reduced by \$14 million; and

(C) The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by \$14 million.

(c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection shall be adjusted by the same percentage by which the amount appropriated to the State School Fund for that biennium is increased or decreased compared with the preceding biennium, as determined by the Department of Education after consultation with the Legislative Fiscal Officer.

(13) Each biennium, the Department of Education shall transfer \$12.5 million from the State School Fund to the Statewide English Language Learner Program Account established under ORS 327.344.

(14) Each fiscal year, the Department of Education may expend up to \$550,000 from the State School Fund for the contract described in ORS 329.488. The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by the amount expended by the department under this subsection.

(15) Each biennium, the Department of Education may expend up to \$350,000 from the State School Fund to provide administration of and support for the development of talented and gifted education under ORS 343.404.

(16) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

SECTION 35. (1) Notwithstanding section 44 (3)(b)(A), chapter 1, Oregon Laws 2015, 10 percent of the moneys transferred to the Oregon Marijuana Account that were collected before July 1, 2017, must be transferred to the cities of this state in shares that reflect the population of each city of this state compared to the population of all cities of this state on July 1, 2017, as determined by Portland State University under ORS 190.510 to 190.610.

(2) Notwithstanding section 44 (3)(b)(B), chapter 1, Oregon Laws 2015, 10 percent of the moneys transferred to the Oregon Marijuana Account that were collected before July 1, 2017, must be transferred to the counties of this state in shares that reflect the population of each county of this state compared to the population of all counties of this state on July 1, 2017, as determined by Portland State University under ORS 190.510 to 190.610.

SECTION 36. Section 35 of this 2017 Act is repealed on January 1, 2018.

SECTION 37. The amendments to section 44, chapter 1, Oregon Laws 2015, by section 32 of this 2017 Act apply to moneys transferred or used by the Department of Revenue on or after the effective date of this 2017 Act.

CAPTIONS

SECTION 38. The unit captions used in this 2017 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2017 Act.

EMERGENCY CLAUSE

SECTION 39. This 2017 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect on its passage.

Passed by House July 6, 2017

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate July 7, 2017

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2017

Approved:

.....M.,....., 2017

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2017

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Dennis Richardson, Secretary of State