

Enrolled
Senate Bill 5505

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

CHAPTER

AN ACT

Relating to state financial administration; creating new provisions; amending ORS 283.085 and 286A.833; and declaring an emergency.

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

SECTION 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds of the state during the 2017-2019 biennium, notwithstanding section 10, chapter 705, Oregon Laws 2013, are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

- (1) **Higher Education Coordinating Commission (Art. XI-G):**
 - (a) **Oregon Institute of Technology, Center for Excellence in Engineering and Technology/Cornett Hall Renovation..... \$ 2,050,000**
 - (b) **Oregon State University:**
 - (A) **Quality Foods and Beverage Center \$ 9,100,000**
 - (B) **Gilkey Hall Renovation \$ 2,050,000**
 - (c) **Portland State University, Graduate School of Education Facility..... \$ 36,485,000**
 - (d) **University of Oregon, Campus for Accelerating Scientific Impact..... \$ 50,620,000**
 - (e) **Western Oregon University:**
 - (A) **Information Technology Center Renovation \$ 540,000**
 - (B) **Oregon Military Building Renovation \$ 540,000**
 - (f) **Blue Mountain Community**

	College, Facility for Agricultural Resource Management.....	\$ 5,115,000
(g)	Chemeketa Community College, Agricultural Complex.....	\$ 6,125,000
(h)	Clackamas Community College:	
(A)	DeJardin Building Addition...	\$ 8,140,000
(B)	Student Services and Community Commons.....	\$ 8,140,000
(i)	Clatsop Community College, Marine Science Center Renovation and Expansion....	\$ 8,135,000
(j)	Columbia Gorge Community College, Middle College Prototype Facility	\$ 7,400,000
(k)	Lane Community College, Health Care Village Facility..	\$ 8,140,000
(L)	Linn-Benton Community College, Student Advising and Campus Safety Center ...	\$ 7,635,000
(m)	Mt. Hood Community College, Maywood Park Center.....	\$ 8,140,000
(n)	Oregon Coast Community College, Workforce Education and Resiliency Center	\$ 8,140,000
(o)	Portland Community College, Health Technology Building Renovation.....	\$ 8,140,000
(p)	Rogue Community College, Elk Building Science Facility Renovation and Expansion....	\$ 6,125,000
(q)	Southwestern Oregon Community College, Dellwood Hall Remodel and Expansion.....	\$ 2,805,000
(r)	Treasure Valley Community College, Workforce Vocational Center	\$ 2,865,000
(s)	Umpqua Community College, Industrial Technology Building.....	\$ 8,140,000
(2)	Department of Environmental Quality (Art. XI-H)	\$ 10,300,000
(3)	Oregon Business Development Department (Art. XI-M)	\$ 101,180,000
(4)	Oregon Business Development Department (Art. XI-N).....	\$ 20,430,000
(5)	Department of Education (Art. XI-P)	\$ 100,985,000
(6)	Oregon Department of Administrative	

Services (Art. XI-Q):	
(a) Department of Corrections:	
(A) Capital Improvements and Renewal.....	\$ 26,770,000
(B) Technology Infrastructure....	\$ 12,445,000
(b) Department of Education, Oregon School for the Deaf Facility Improvements.....	
\$	4,365,000
(c) Department of Human Services, ONE Integrated Eligibility and Medicaid Eligibility System.....	
\$	34,045,000
(d) Department of Justice, Child Support Enforcement Automated System.....	
\$	16,585,000
(e) Department of Revenue, Core Tax Revenue Systems Replacement.....	
\$	4,855,000
(f) Department of Veterans' Affairs:	
(A) Lebanon Veteran's Home Parking Lot.....	
\$	1,345,000
(B) The Dalles Veterans' Home Capital Improvements.....	
\$	1,195,000
(C) Roseburg Veterans' Home	
\$	10,720,000
(g) Housing and Community Services Department, Local Innovation and Fast Track Housing Program.....	
\$	81,090,000
(h) Higher Education Coordinating Commission:	
(A) Public Universities Capital Improvement and Renewal ...	
\$	50,620,000
(B) Eastern Oregon University, Loso Hall Renovation	
\$	5,575,000
(C) Oregon Institute of Technology:	
(i) Center for Excellence in Engineering and Technology/ Cornett Hall Renovation	
\$	38,475,000
(ii) Oregon Manufacturing Innovation Center, Research and Development Facility	
\$	3,940,000
(D) Oregon State University:	
(i) Cordley Hall Renovation	
\$	15,250,000
(ii) Fairbanks Hall Renovation ...	
\$	11,220,000
(iii) Gilkey Hall Renovation	
\$	1,045,000
(iv) Cascades Expansion Site Reclamation	
\$	9,145,000
(E) Portland State University, Graduate School of Education Facility.....	
\$	9,145,000

(F)	Southern Oregon University, Central Hall Capital Improvements.....	\$	6,125,000
(G)	Western Oregon University:		
(i)	Information Technology Center Renovation	\$	5,070,000
(ii)	Oregon Military Building Renovation	\$	7,335,000
(i)	Legislative Administration Committee, Capitol Accessibility, Maintenance, and Safety	\$	13,960,000
(j)	Oregon Judicial Department:		
(A)	Lane County Courthouse	\$	5,115,000
(B)	Multnomah County Courthouse.....	\$	102,495,000
(C)	Oregon Supreme Court Building Renovation.....	\$	6,125,000
(k)	Oregon Military Department:		
(A)	Grants Pass Armory Service Life Extension.....	\$	3,330,000
(B)	Regional Armory Emergency Enhancement Project	\$	8,675,000
(C)	Regional Training Institute ..	\$	6,630,000
(D)	Resiliency Grant Fund.....	\$	5,070,000
(E)	Youth Challenge Armory	\$	5,095,000
(L)	Oregon Youth Authority:		
(A)	Capital Improvements.....	\$	17,450,000
(B)	MacLaren West Cottages Renovation	\$	15,450,000
(C)	Rogue Valley Facility Improvements	\$	7,095,000
(m)	State Department of Fish and Wildlife.....	\$	10,215,000
(n)	State Forestry Department, Toledo Facility Replacement.	\$	774,225
	<u>Dedicated Fund Obligations</u>		
(7)	Department of Veterans' Affairs (Art. XI-A).....	\$	120,000,000
(8)	Higher Education Coordinating Commission (Art. XI-F(1)):		
(a)	Portland State University:		
(A)	Land Acquisition for University Center Building ...	\$	15,260,000
(B)	12th & Market Residence Hall.....	\$	54,225,000
(C)	Graduate School of Education Facility.....	\$	6,080,000
(D)	Corbett Building Purchase....	\$	5,100,000
(b)	Oregon Institute of Technology, Student Recreation Center	\$	5,115,000

(c) Eastern Oregon University, Track and Field Facilities Restoration	\$	790,000
(9) Department of Environmental Quality (Art. XI-H)	\$	10,000,000
(10) Housing and Community Services Department (Art. XI-I(2))	\$	25,000,000
(11) Oregon Department of Administrative Services (Art. XI-Q):		
(a) Portland State Office Building Improvements.....	\$	13,360,000
(b) State Forestry Department, Toledo Facility Replacement.	\$	1,075,775
Total General Obligation		
Bonds	\$	1,257,310,000

SECTION 2. The amounts authorized, as provided by ORS 286A.035, for issuance of revenue bonds of the state during the 2017-2019 biennium are as follows:

REVENUE BONDS

Direct Revenue Bonds

Housing and Community Services Department.....	\$	300,000,000
Oregon Business Development Department.....	\$	30,000,000
Oregon Department of Administrative Services, Lottery Revenue Bonds	\$	199,860,000
Total Direct Revenue		
Bonds	\$	529,860,000

Pass-Through Revenue Bonds

Oregon Business Development Department, Industrial Development Bonds.....	\$	400,000,000
Oregon Business Development Department, Beginning and Expanding Farmer Loan Program	\$	10,000,000
Oregon Facilities Authority..	\$	1,350,000,000
Housing and Community Services Department.....	\$	325,000,000
Total Pass-Through Revenue		
Bonds	\$	2,085,000,000
Total Revenue Bonds	\$	2,614,860,000

SECTION 3. The amount authorized, as provided by ORS 286A.035, for issuance of certificates of participation and other financing agreements of the state during the 2017-2019 biennium for the Oregon Department of Administrative Services is \$110,985,000.

SECTION 4. The amounts allocated for private activity bonds, as provided in ORS 286A.615, are as follows:

- (1) For calendar year 2018,
the amount of \$409,346,500

is allocated as follows:

- (a) Oregon Business Development Department, Industrial Development Bonds..... \$ 40,000,000
- (b) Oregon Business Development Department, Beginning and Expanding Farmer Loan Program..... \$ 5,000,000
- (c) Housing and Community Services Department..... \$125,000,000
- (d) Private Activity Bond Committee..... \$239,346,500

(2) For calendar year 2019, the amount of \$409,346,500 is allocated as follows:

- (a) Oregon Business Development Department, Industrial Development Bonds..... \$ 40,000,000
- (b) Oregon Business Development Department, Beginning and Expanding Farmer Loan Program..... \$ 5,000,000
- (c) Housing and Community Services Department..... \$125,000,000
- (d) Private Activity Bond Committee..... \$239,346,500

(3) If an increase in this state's population, a sufficient increase in the region's Consumer Price Index or a change in federal law allows the private activity bond limit as set by the Internal Revenue Code of 1986, as amended, to exceed \$409,346,500 during the 2018 calendar year or \$409,346,500 during the 2019 calendar year, the increase is allocated to the Private Activity Bond Committee.

SECTION 5. (1) For purposes of Article XI-F(1), section 1, of the Oregon Constitution, the Legislative Assembly determines that the projects authorized to be financed pursuant to section 1 (8) of this 2017 Act with bonds issued under Article XI-F(1) of the Oregon Constitution will benefit higher education institutions or activities.

(2) For purposes of Article XI-G, section 1, of the Oregon Constitution, the Legislative Assembly determines that the projects authorized to be financed pursuant to section 1 (1) of this 2017 Act with bonds issued under Article XI-G of the Oregon Constitution will benefit higher education institutions or activities or community colleges authorized by law to receive state aid.

SECTION 6. Bonds authorized under section 1 (1) of this 2017 Act may not be issued until the constructing authority certifies that the constructing authority has matching funds available for the same or similar purposes as the Article XI-G bonds that will fund the grant to the constructing authority, that the match funds are not proceeds of indebtedness incurred by the state under any other article of the Oregon Constitution, and that the match funds are available to the constructing authority in an amount at least equal to the amount of indebtedness incurred by the state through the issuance of the Article XI-G bonds.

SECTION 7. ORS 286A.833 is amended to read:

286A.833. (1) In accordance with the applicable provisions of this chapter, the State Treasurer, with the concurrence of the [*Director of the Oregon Department of Administrative Services*] **Higher Education Coordinating Commission**, may issue Article XI-F(1) bonds **for the benefit of a public university** if:

(a) The [*Higher Education Coordinating Commission*] **Director of the Oregon Department of Administrative Services** requests that bonds be issued for the purposes specified in Article XI-F(1) of the Oregon Constitution, plus an amount determined by the State Treasurer to pay estimated bond-related costs;

(b) The issuance does not exceed the budget authorization for bond issuance established under ORS 286A.035; and

(c) A loan agreement is executed under ORS 286A.836 prior to sale of the bonds.

(2) The State Treasurer may issue Article XI-F(1) bonds for the purpose of refunding Article XI-F(1) bonds, with the concurrence of a public university that received proceeds of Article XI-F(1) bonds to be refunded.

(3) The State Treasurer shall deposit the net proceeds of Article XI-F(1) bonds in one or more project funds established in the State Treasury or with a third party under contract with the Oregon Department of Administrative Services and approved by the State Treasurer. Net proceeds of Article XI-F(1) bonds must be expended for the purposes described in the commission's budget authorization.

(4) If at any time the department and the commission jointly determine that the net proceeds of Article XI-F(1) bonds deposited in a project fund pursuant to subsection (3) of this section exceed the cost of the project described in the commission's budget authorization, the department may allocate and transfer the excess amount as determined by the department to other project funds, the Article XI-F(1) Bond Fund established under ORS 286A.839 or the Article XI-F(1) Bond Administration Fund established under ORS 286A.842. Before transferring an excess amount under this subsection, the department shall consult with the public university for whose benefit the Article XI-F(1) bonds were issued, but the department may transfer an excess amount without the approval of the public university. Excess amounts may not be transferred to a project fund for the project of another public university unless the applicable loan agreements and loan repayment schedules are amended to reflect the transfer.

(5) Article XI-F(1) bonds are direct general obligations of the State of Oregon and must contain a direct promise on behalf of the State of Oregon to pay the principal of, the interest on and the premium, if any, on the Article XI-F(1) bonds. The State of Oregon shall pledge its full faith and credit and taxing power to the payment of the principal of, the interest on and the premium, if any, on Article XI-F(1) bonds, and the ad valorem taxing power of the State of Oregon may be pledged to pay Article XI-F(1) bonds.

SECTION 8. ORS 283.085 is amended to read:

283.085. As used in ORS 283.085 to 283.092:

(1) "Available funds" means funds appropriated or otherwise made available by the Legislative Assembly to pay amounts due under a financing agreement for the fiscal period in which the payments are due, unexpended proceeds of the financing agreement and reserves or other amounts that have been deposited in trust to pay amounts due under the financing agreement.

(2) "Credit enhancement agreement" means any agreement or contractual relationship between the state and any bank, trust company, insurance company, surety bonding company, pension fund or other financial institution providing additional credit on or security for a financing agreement or certificates of participation authorized by ORS 283.085 to 283.092.

(3) "Financing agreement" means a lease purchase agreement, an installment sale agreement, a loan agreement or any other agreement:

(a) To finance real or personal property that is or will be owned and operated by the state or any of its agencies;

(b) To finance infrastructure, including but not limited to telecommunications systems, systems for water, sewage, electricity, steam or natural gas and other equipment or improvements that are necessary or appropriate to support a facility that is, or will be, owned or operated by the state;

(c) To finance infrastructure components that are, or will be, owned or operated by a local government agency of this state if the Director of the Oregon Department of Administrative Services determines that financing the infrastructure facilitates the construction or operation of an adult or juvenile corrections facility or a public safety training facility owned or operated by the state or any of its agencies;

(d) To finance all or a portion of the state's pension liabilities for retirement, health care or disability benefits, in an amount that produces net proceeds that do not exceed the State Treasurer's estimate of those liabilities based on information provided to the State Treasurer by the Public Employees Retirement System; [or]

(e) To finance:

(A) The release of all or a portion of the Elliott State Forest from restrictions resulting from ownership of that forest by the Common School Fund; or

(B) Compensation paid to the Common School Fund for the preservation of noneconomic benefits of the forest through the imposition, transfer or sale of restrictions such as easements, use requirements or other methods that preserve noneconomic benefits of the forest for the public, including recreation, aesthetics, wildlife or habitat preservation or other environmental and quality of life considerations; or

[(e)] **(f) To refinance previously executed financing agreements.**

(4) "Financing costs" means costs or expenses that the director determines are necessary or desirable in connection with entering into financing agreements and maintaining the certificate of participation program, including but not limited to payment of:

(a) Amounts due under financing agreements;

(b) Costs and obligations the director or any other agency of the state incurs in connection with the exercise of a power granted by ORS 283.085 to 283.092; and

(c) Amounts due in connection with the investment of proceeds of financing agreements.

(5) "Personal property" means tangible personal property, software and fixtures.

(6) "Property rights" means, with respect to personal property, the rights of a secured party under ORS chapter 79, and, with respect to real property, the rights of a trustee or lender under a lease authorized by ORS 283.089 (1)(e).

(7) "Software" means software and training and maintenance contracts related to the operation of computing equipment.

SECTION 9. (1) A community college for which one project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2017 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2021, unless the community college withdraws the project approved under this 2017 Act.

(2) A community college for which two projects to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2017 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2025, unless the community college withdraws a project approved under this 2017 Act.

SECTION 10. (1) Out of the amount specified in section 1 (6)(j)(A) of this 2017 Act, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed \$5,000,000 of net proceeds for the purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(2) Out of the amount specified in section 1 (6)(j)(B) of this 2017 Act, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed \$92,600,000 of net proceeds for the purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(3) For purposes of sections 8 and 9, chapter 705, Oregon Laws 2013, and section 64, chapter 723, Oregon Laws 2013, bonds issued pursuant to this section are considered to be bonds issued pursuant to section 8, chapter 705, Oregon Laws 2013.

(4) Bonds may not be issued out of the amounts specified in section 1 (6)(j)(A) and (B) of this 2017 Act except as provided in this section.

SECTION 11. (1) As used in this section:

(a) "Apprentice" has the meaning given that term in ORS 660.010.

(b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.

(c) "Apprenticeship training program" means the total system of apprenticeship that a particular local joint committee, as defined in ORS 660.010, operates, including the local joint committee's registered standards and all other terms and conditions for qualifying, recruiting, selecting, employing and training apprentices in an apprenticeable occupation.

(d) "Minority individual" has the meaning given that term in ORS 200.005.

(e) "Qualified contracts" means contracts that:

(A) Are for improvements to real property in connection with the University of Oregon Campus for Accelerating Scientific Impact;

(B) Have a cost that, at the time the contract is executed, is estimated to be greater than \$200,000; and

(C) Are to be paid from proceeds of bonds issued under Article XI-G of the Oregon Constitution.

(f) "Woman" has the meaning given that term in ORS 200.005.

(2) The University of Oregon, in all qualified contracts, shall require contractors to:

(a) Employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations perform under the contract, in a manner consistent with the apprentices' respective apprenticeship training programs;

(b) Establish and execute a plan for outreach, recruitment and retention of women and minority individuals to perform work under the contract; and

(c) Require any subcontractors engaged by the contractors to abide by the requirements set forth in paragraphs (a) and (b) of this subsection.

(3) On or before February 1 of each year, the University of Oregon shall report to the Joint Committee on Ways and Means or Joint Interim Committee on Ways and Means on the amount of work performed by apprentices, women and minority individuals under qualified contracts.

SECTION 12. 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 July 1, 2017.

Passed by Senate July 6, 2017

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House July 7, 2017

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Tina Kotek, Speaker of House

Received by Governor:

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

Approved:

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

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Kate Brown, Governor

Filed in Office of Secretary of State:

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

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Dennis Richardson, Secretary of State