

House Bill 2156

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Veterans' Affairs)

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 **as introduced**.

Exempts Department of Veterans' Affairs from operation of certain laws in acquisition or sale of any interest in real property. Permits department to receive monetary and nonmonetary grants, gifts and donations. Permits department to convert nonmonetary grants, gifts and donations to moneys when not inconsistent with purpose or limitation specified in grant, gift or donation and to use moneys to carry out duties under law. Permits department to contract with any person to carry out department's duties under law.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the powers of the Department of Veterans' Affairs; creating new provisions; amending
3 ORS 113.085, 125.240, 125.410, 270.100, 279A.025, 279A.050, 279C.335, 406.050, 406.100, 406.120,
4 407.177, 407.465, 408.365, 408.375, 805.205 and 805.206; and declaring an emergency.

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

6 **SECTION 1.** ORS 406.050 is amended to read:

7 406.050. In addition to other powers and duties, the Director of Veterans' Affairs or the De-
8 partment of Veterans' Affairs is authorized:

9 (1) To cooperate with officers and agencies of the United States in all matters affecting veter-
10 ans' welfare.

11 (2) To accept [*grants, donations and gifts*] on behalf of this state [*for veterans' welfare*] **monetary**
12 **and nonmonetary grants, donations and gifts** from any person, corporation, government or gov-
13 ernmental agency. [*Grants, donations and gifts so received shall be deposited with the State Treasurer*
14 *and credited to a trust fund*] **The department shall deposit with the State Treasurer all mone-**
15 **tary grants, donations and gifts received. The State Treasurer shall credit the amounts de-**
16 **posited to a trust fund created for the purposes of this section.** Moneys in the trust fund are
17 continuously appropriated to the department and [*expendable for the purposes specified in subsections*
18 *(3) and (4) of this section*] **may be expended to carry out the department's duties under Articles**
19 **XI-A and XI-F(2) of the Oregon Constitution, under ORS chapters 88, 273, 407 and 408 and**
20 **this chapter or under federal law.** Interest earned on the moneys in the trust fund created under
21 this subsection shall accrue to the trust fund.

22 [(3) *To expend all or any portion of a grant, donation or gift for the purposes specified in the grant,*
23 *donation or gift.*]

24 [(4) *To expend all or any portion of a grant, donation or gift in the trust fund created under sub-*
25 *section (2) of this section for the administration of ORS 406.010 to 406.070, 406.090, 406.210, 406.220*
26 *and 406.340 and for the administration and purposes of ORS 408.368 when:.*]

27 [(a) *The department determines that the purpose specified in the grant, donation or gift has been*
28 *satisfied, or is not feasible or appropriate; or*]

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 *[(b) The grant, donation or gift specifies no purpose.]*

2 *[(5) To donate or otherwise transfer all or any portion of a grant, donation or gift to other persons,*
 3 *corporations or entities engaged in serving veterans if the department determines that the nature of the*
 4 *grant, donation or gift makes use by the department or conversion to cash for use by the department*
 5 *not feasible or appropriate.]*

6 **(3) To expend or otherwise dispose of grants, donations and gifts received:**

7 **(a) By selling or otherwise converting a nonmonetary grant, donation or gift into moneys**
 8 **unless doing so is inconsistent with any purpose or limitation specified in the grant, donation**
 9 **or gift. Notwithstanding any purpose or limitation specified, the department may sell or**
 10 **otherwise convert a grant, donation or gift into moneys if the department determines that**
 11 **the purpose or limitation has been satisfied, has expired, is not feasible or is not appropriate.**
 12 **The department shall deposit the moneys received from any sale or conversion under this**
 13 **paragraph into the trust fund created in subsection (2) of this section.**

14 **(b) By donating or otherwise transferring all or any portion of a nonmonetary grant,**
 15 **donation or gift to other persons, corporations or entities engaged in serving veterans, or**
 16 **veterans' dependents or survivors, if the department determines that the nature of the**
 17 **grant, donation or gift makes use by the department or conversion to moneys for use by the**
 18 **department not feasible or appropriate.**

19 **(c) By expending all or any portion of a grant, donation or gift for the purposes specified**
 20 **in the grant, donation or gift.**

21 **(d) By expending all or any portion of a grant, donation or gift in the trust fund created**
 22 **in subsection (2) of this section in order to carry out the department's duties under Articles**
 23 **XI-A and XI-F(2) of the Oregon Constitution, under ORS chapters 88, 273, 407 and 408 and**
 24 **this chapter or under federal law when:**

25 **(A) The department determines that the purpose specified in the grant, donation or gift**
 26 **has been satisfied, has expired, is not feasible or is not appropriate; or**

27 **(B) The grant, donation or gift does not specify a purpose or limitation that is incon-**
 28 **sistent with the authority, duties or powers conferred on the department by law.**

29 *[(6)] (4) To act as agent or attorney in fact for any war veteran and the dependents or benefi-*
 30 *ciaries of any war veteran relating to rights under any federal or state law.*

31 *[(7)] (5) To act without bond as conservator of the estate of:*

32 *(a) A person who qualifies for benefits from the United States Department of Veterans Affairs.*

33 *(b) A dependent*, *an immediate family member, a survivor or a former spouse who has not re-*
 34 *married* *of a person who qualifies for benefits,* **or who qualified for benefits from the United**
 35 **States Department of Veterans Affairs while alive,** *[from the United States Department of Veter-*
 36 *ans Affairs]* **or the person's immediate family member, a survivor or a former spouse who**
 37 **has not remarried,** as those persons are defined by rule by the director.

38 *[(8)] (6) [On] To extend on* behalf of the State of Oregon *[to extend]* such assistance as the De-
 39 partment of Veterans' Affairs shall determine to be reasonably required to any war veteran and to
 40 the dependents of any such war veteran[,] in the prosecution of any claim *[or claims]* before the
 41 United States Department of Veterans Affairs[,] or any other federal or state agency, *the securing*
 42 *of]* **so that the war veteran or dependent may secure** employment or relief and any other benefits
 43 to which they might be entitled. *[The Department of Veterans' Affairs may]*

44 **(7) To** adopt rules and regulations with respect to all matters of administration to carry into
 45 effect the purposes of this section.

1 [(9)] (8) To require and collect such reasonable service charges as the Department of Veterans'
 2 Affairs deems necessary and expedient to carry out a duty, or to exercise a power or authority,
 3 conferred on the department by law.

4 **(9) To contract with any person or entity notwithstanding ORS chapter 279, 279A, 279B**
 5 **or 279C in order to carry out the department's duties under Articles XI-A and XI-F(2) of the**
 6 **Oregon Constitution, under ORS chapters 88, 273, 407 and 408 and this chapter or under**
 7 **federal law.**

8 **SECTION 2.** ORS 270.100 is amended to read:

9 270.100. (1)(a) Before offering for sale any real property or equitable interest therein owned by
 10 the state, the state agency acting for the state in such transaction shall report its intent of sale or
 11 transfer to the Oregon Department of Administrative Services. The department, or the agency spe-
 12 cifically designated by the department, shall notify other state agencies authorized to own real
 13 property of the intended sale or transfer to determine whether acquisition of the real property or
 14 interest therein would be advantageous to another state agency.

15 (b) The department shall give political subdivisions, as defined in ORS 271.005, the first oppor-
 16 tunity after other state agencies to acquire, purchase, exchange or lease real property to be sold
 17 or disposed of by the State of Oregon. The state agency responsible for selling or transferring the
 18 property may require at the time of the sale or transfer that any state real property sold or trans-
 19 ferred to a political subdivision, as defined in ORS 271.005, shall be for use for a public purpose or
 20 benefit, and not be for resale to a private purchaser.

21 (c) If property is not disposed of under paragraph (a) or (b) of this subsection, in accordance
 22 with rules adopted by the department, the state agency desiring to sell or transfer the property shall
 23 cause it to be appraised by one or more competent and experienced appraisers. Except as provided
 24 in ORS 273.825, if such property has an appraised value exceeding \$5,000 it shall not be sold to any
 25 private person except after notice calling for such proposals as set forth in ORS 270.130.

26 (d) The department shall adopt rules to carry out the provisions of this section.

27 (2) Before acquisition of any real property or interest therein by any state agency, except for
 28 highway right of way acquired by the Department of Transportation and park properties acquired
 29 by the State Parks and Recreation Department and property within the approved projected campus
 30 boundaries for institutions of the Department of Higher Education, the state agency shall report its
 31 intent of acquisition to the Oregon Department of Administrative Services. The department shall
 32 notify other state agencies owning land of the intended acquisition to determine whether another
 33 state agency desires to sell or transfer property which would meet the needs of the purchasing
 34 agency. In accordance with rules adopted by the Oregon Department of Administrative Services, if
 35 no other state agency desires to sell or transfer property which would meet the needs of the agency,
 36 the agency may acquire the real property or interest therein, consistent with applicable provisions
 37 of law.

38 (3) Before any terminal disposition of real property or an interest in real property, the state
 39 agency acting for the state in the transaction must secure approval of the transaction from the
 40 Oregon Department of Administrative Services.

41 (4) Subsection (3) of this section does not apply to terminal disposition of the following real
 42 property:

- 43 (a) Property controlled by the State Department of Fish and Wildlife;
- 44 (b) State forestlands controlled by the State Forestry Department;
- 45 (c) Property controlled by the Department of Transportation;

- 1 (d) Property controlled by the Department of State Lands;
- 2 (e) Property controlled by the Department of Higher Education;
- 3 (f) Property controlled by the legislative or judicial branches of state government; and
- 4 (g) Property controlled by the State Parks and Recreation Department.

5 (5) Notwithstanding the provisions of subsection (4) of this section, prior approval by the Oregon
6 Department of Administrative Services is required for the terminal disposition of public land for less
7 than the fair market value of that land.

8 (6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to
9 273.436, 273.551 and 308A.709 (1) to (4) do not apply to *[a home or farm]* **real property or any in-**
10 **terest in real property** acquired[,] **or** sold, or both, by the Department of Veterans' Affairs under
11 ORS 88.720, 273.388, 406.050, 407.135, 407.145, 407.375 and 407.377.

12 **SECTION 3.** ORS 279A.025 is amended to read:

13 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting
14 Code applies to all public contracting.

15 (2) The Public Contracting Code does not apply to:

16 (a) Contracts between contracting agencies or between contracting agencies and the federal
17 government;

18 (b) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and
19 414.145 for purposes of source selection;

20 (c) Grants;

21 (d) Contracts for professional or expert witnesses or consultants to provide services or testi-
22 mony relating to existing or potential litigation or legal matters in which a public body is or may
23 become interested;

24 (e) Acquisitions or disposals of real property or interest in real property;

25 (f) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-
26 lection;

27 (g) Contracts for the procurement or distribution of textbooks;

28 (h) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

29 (i) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,
30 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;

31 (j) Contracts entered into under ORS chapter 180 between the Attorney General and private
32 counsel or special legal assistants;

33 (k) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry
34 and the State Forestry Department;

35 (L) Contracts for forest protection or forest related activities, as described in ORS 477.406, by
36 the State Forester or the State Board of Forestry;

37 (m) Sponsorship agreements entered into by the State Parks and Recreation Director in ac-
38 cordance with ORS 565.080 (4);

39 (n) Contracts entered into by the Housing and Community Services Department in exercising the
40 department's duties prescribed in ORS chapters 456 and 458, except that the department's public
41 contracting for goods and services, as defined in ORS 279B.005, is subject to ORS chapter 279B;

42 (o) Contracts entered into by the State Treasurer in exercising the powers of that office pre-
43 scribed in ORS chapters 178, 286, 287, 288, 289, 293, 294 and 295, including but not limited to in-
44 vestment contracts and agreements, banking services, clearing house services and collateralization
45 agreements, bond documents, certificates of participation and other debt repayment agreements, and

1 any associated contracts, agreements and documents, regardless of whether the obligations that the
 2 contracts, agreements or documents establish are general, special or limited, except that the State
 3 Treasurer’s public contracting for goods and services, as defined in ORS 279B.005, is subject to ORS
 4 chapter 279B;

5 (p) Contracts, agreements or other documents entered into, issued or established in connection
 6 with:

7 (A) The incurring of debt by a public body, including but not limited to the issuance of bonds,
 8 certificates of participation and other debt repayment obligations, and any associated contracts,
 9 agreements or other documents, regardless of whether the obligations that the contracts, agreements
 10 or other documents establish are general, special or limited;

11 (B) The making of program loans and similar extensions or advances of funds, aid or assistance
 12 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining
 13 activities or programs authorized by law; or

14 (C) The investment of funds by a public body as authorized by law, and other financial trans-
 15 actions of a public body that by their character cannot practically be established under the com-
 16 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

17 (q) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,
 18 243.275, 243.291, 243.303 and 243.565; or

19 (r) Any other public contracting of a public body specifically exempted from the code by another
 20 provision of law.

21 (3) The Public Contracting Code does not apply to the public contracting activities of:

22 (a) The Oregon State Lottery Commission;

23 (b) The Oregon University System and member institutions, except as provided in ORS 351.086;

24 (c) The legislative department;

25 (d) The judicial department;

26 (e) Semi-independent state agencies listed in ORS 182.451 and 182.454, except as provided in ORS
 27 279.835 to 279.855 and 279A.250 to 279A.290;

28 (f) Oregon Corrections Enterprises;

29 (g) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to
 30 279A.290;

31 (h) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

32 (i) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;

33 (j) The Oregon Innovation Council; [or]

34 **(k) The Department of Veterans’ Affairs; or**

35 [(k)] (L) Any other public body specifically exempted from the code by another provision of law.

36 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with
 37 qualified nonprofit agencies providing employment opportunities for disabled individuals under ORS
 38 279.835 to 279.855.

39 **SECTION 4.** ORS 279A.050 is amended to read:

40 279A.050. (1) Except as otherwise provided in the Public Contracting Code, a contracting agency
 41 shall exercise all rights, powers and authority in accordance with the provisions of the Public
 42 Contracting Code.

43 (2) Except as otherwise provided in the Public Contracting Code, for state agencies the Director
 44 of the Oregon Department of Administrative Services has all of the rights, powers and authority
 45 necessary to carry out the provisions of the Public Contracting Code.

1 (3) Except as otherwise provided in the Public Contracting Code, the Director of Transportation
 2 has all of the rights, powers and authority to:

3 (a) Procure or supervise the procurement of all services and personal services to construct, ac-
 4 quire, plan, design, maintain and operate passenger terminal facilities and motor vehicle parking
 5 facilities in connection with any public transportation system in accordance with ORS 184.689 (5);

6 (b) Procure or supervise the procurement of all goods, services, public improvements and per-
 7 sonal services relating to the operation, maintenance or construction of highways, bridges and other
 8 transportation facilities that are subject to the authority of the Department of Transportation; and

9 (c) Establish standards for, prescribe forms for and conduct the prequalification of prospective
 10 bidders on public improvement contracts related to the operation, maintenance or construction of
 11 highways, bridges and other transportation facilities that are subject to the authority of the De-
 12 partment of Transportation.

13 (4) Except as otherwise provided in the Public Contracting Code, the Secretary of State has all
 14 of the rights, powers and authority to procure or supervise the procurement of goods, services and
 15 personal services related to programs under the direct authority of the Secretary of State.

16 (5) Except as otherwise provided in the Public Contracting Code, the State Treasurer has all
 17 of the rights, powers and authority to procure or supervise the procurement of goods, services and
 18 personal services related to programs under the authority of the State Treasurer.

19 (6) The following specific limited authorities are subject to the provisions of the Public Con-
 20 tracting Code:

21 (a) The Department of Human Services to procure or supervise the procurement of goods, ser-
 22 vices and personal services for the construction, demolition, exchange, maintenance, operation and
 23 equipping of housing:

24 (A) For the chronically mentally ill, subject to applicable provisions of ORS 426.504; and

25 (B) For the purpose of providing care to individuals with mental retardation or other develop-
 26 mental disabilities, subject to applicable provisions of ORS 427.335;

27 (b) The State Department of Fish and Wildlife to procure or supervise the procurement of all
 28 goods, services, public improvements and personal services relating to dams, fishways, ponds and
 29 related fish and game propagation facilities;

30 (c) The State Parks and Recreation Department to procure or supervise the procurement of all
 31 goods, services, public improvements and personal services relating to state parks;

32 (d) The Oregon Department of Aviation to procure or supervise the procurement of all goods,
 33 services, public improvements and personal services related to airports owned or operated by the
 34 state;

35 (e) The Economic and Community Development Department to procure or supervise the pro-
 36 curement of all goods, services, personal services and public improvements related to its foreign
 37 trade offices operating outside the state;

38 (f) The Attorney General to enter into contracts as necessary to exercise the authority granted
 39 in ORS chapter 180;

40 (g) The Housing and Community Services Department to procure or supervise the procurement
 41 of goods, services and personal services;

42 (h) The Department of Corrections to procure or supervise the procurement of goods, services
 43 and personal services for the construction of all new buildings or additions for its institutions;

44 (i) The Department of Corrections, subject to any applicable provisions of ORS 279A.120,
 45 279A.125, 279A.145 and 283.110 to 283.395, to procure or supervise the procurement of goods for its

1 institutions; **and**

2 *[(j) The Department of Veterans' Affairs to procure or supervise the procurement of real estate*
 3 *broker and principal real estate broker services related to programs under the department's authority;*
 4 *and]*

5 *[(k)]* **(j)** Any state agency to make procurements when the agency is specifically authorized by
 6 any provision of law other than the Public Contracting Code to enter into a contract.

7 **SECTION 5.** ORS 279C.335 is amended to read:

8 279C.335. (1) All public improvement contracts shall be based upon competitive bids except:

9 (a) Contracts made with qualified nonprofit agencies providing employment opportunities for
 10 disabled individuals under ORS 279.835 to 279.855.

11 (b) A public improvement contract exempt under subsection (2) of this section.

12 (c) A public improvement contract with a value of less than \$5,000.

13 (d) A contract not to exceed \$100,000, or not to exceed \$50,000 in the case of a contract for a
 14 highway, bridge or other transportation project, made under procedures for competitive quotes in
 15 sections 132 and 133, chapter 794, Oregon Laws 2003.

16 *[(e) Contracts for repair, maintenance, improvement or protection of property obtained by the De-*
 17 *partment of Veterans' Affairs under ORS 407.135 and 407.145 (1).]*

18 *[(f)]* **(e)** Energy savings performance contracts entered into in accordance with rules of proce-
 19 dure adopted under ORS 279A.065.

20 *[(g)]* **(f)** A public improvement contract awarded under subsection (6) of this section in response
 21 to an emergency.

22 (2) Subject to subsection (4)(b) of this section, the Director of the Oregon Department of Ad-
 23 ministrative Services, a local contract review board or, for contracts described in ORS 279A.050
 24 (3)(b), the Director of Transportation may exempt a public improvement contract or a class of public
 25 improvement contracts from the competitive bidding requirements of subsection (1) of this section
 26 upon approval of the following findings submitted by the contracting agency seeking the exemption:

27 (a) It is unlikely that the exemption will encourage favoritism in the awarding of public im-
 28 provement contracts or substantially diminish competition for public improvement contracts; and

29 (b) The awarding of public improvement contracts under the exemption will result in substantial
 30 cost savings to the contracting agency or, if the contracts are for public improvements described in
 31 ORS 279A.050 (3)(b), to the contracting agency or the public. In making the finding, the Director of
 32 the Oregon Department of Administrative Services, the Director of Transportation or the local
 33 contract review board may consider the type, cost and amount of the contract, the number of per-
 34 sons available to bid and such other factors as may be deemed appropriate.

35 (3) In making findings to support an exemption for a class of public improvement contracts, the
 36 contracting agency shall clearly identify the class using the class's defining characteristics. Those
 37 characteristics shall include some combination of project descriptions or locations, time periods,
 38 contract values, methods of procurement or other factors that distinguish the limited and related
 39 class of public improvement contracts from the contracting agency's overall construction program.
 40 The contracting agency may not identify a class solely by funding source, such as a particular bond
 41 fund, or by the method of procurement, but shall identify the class using characteristics that rea-
 42 sonably relate to the exemption criteria set forth in subsection (2) of this section.

43 (4) In granting exemptions under subsection (2) of this section, the Director of the Oregon De-
 44 partment of Administrative Services, the Director of Transportation or the local contract review
 45 board shall:

1 (a) When appropriate, direct the use of alternate contracting methods that take account of
 2 market realities and modern practices and are consistent with the public policy of encouraging
 3 competition.

4 (b) Require and approve or disapprove written findings by the contracting agency that support
 5 the awarding of a particular public improvement contract or a class of public improvement con-
 6 tracts, without the competitive bidding requirement of subsection (1) of this section. The findings
 7 must show that the exemption of a contract or class of contracts complies with the requirements
 8 of subsection (2) of this section.

9 (5)(a) Before final adoption of the findings required by subsection (2) of this section exempting
 10 a public improvement contract or a class of public improvement contracts from the requirement of
 11 competitive bidding, a contracting agency shall hold a public hearing.

12 (b) Notification of the public hearing shall be published in at least one trade newspaper of
 13 general statewide circulation a minimum of 14 days before the hearing.

14 (c) The notice shall state that the public hearing is for the purpose of taking comments on the
 15 contracting agency's draft findings for an exemption from the competitive bidding requirement. At
 16 the time of the notice, copies of the draft findings shall be made available to the public. At the op-
 17 tion of the contracting agency, the notice may describe the process by which the findings are finally
 18 adopted and may indicate the opportunity for any further public comment.

19 (d) At the public hearing, the contracting agency shall offer an opportunity for any interested
 20 party to appear and present comment.

21 (e) If a contracting agency is required to act promptly due to circumstances beyond the con-
 22 tracting agency's control that do not constitute an emergency, notification of the public hearing may
 23 be published simultaneously with the contracting agency's solicitation of contractors for the alter-
 24 native public contracting method, as long as responses to the solicitation are due at least five days
 25 after the meeting and approval of the findings.

26 (6) After declaring that an emergency exists in accordance with rules adopted under ORS
 27 279A.065, a contracting agency may award a public improvement contract in response to the emer-
 28 gency without using a competitive solicitation.

29 (7) A public improvement contract awarded under the competitive bidding requirement of sub-
 30 section (1) of this section may be amended only in accordance with rules adopted under ORS
 31 279A.065.

32 (8) Public improvement contracts excepted from competitive bid requirements under subsection
 33 (1)(a), (c), (d), (e), *(f) or (g)* **or (f)** of this section are not subject to the exemption requirements of
 34 subsection (2) of this section.

35 **SECTION 6.** ORS 279C.335, as amended by section 104, chapter 794, Oregon Laws 2003, section
 36 13, chapter 103, Oregon Laws 2005, and section 59, chapter 625, Oregon Laws 2005, is amended to
 37 read:

38 279C.335. (1) All public improvement contracts shall be based upon competitive bids except:

39 (a) Contracts made with qualified nonprofit agencies providing employment opportunities for
 40 disabled individuals under ORS 279.835 to 279.855.

41 (b) A public improvement contract exempt under subsection (2) of this section.

42 (c) A public improvement contract with a value of less than \$5,000.

43 *[(d) Contracts for repair, maintenance, improvement or protection of property obtained by the De-*
 44 *partment of Veterans' Affairs under ORS 407.135 and 407.145 (1).]*

45 *[(e)]* (d) Energy savings performance contracts entered into in accordance with rules of proce-

1 dure adopted under ORS 279A.065.

2 [(f)] (e) A public improvement contract awarded under subsection (6) of this section in response
3 to an emergency.

4 (2) Subject to subsection (4)(b) of this section, the Director of the Oregon Department of Ad-
5 ministrative Services, a local contract review board or, for contracts described in ORS 279A.050
6 (3)(b), the Director of Transportation may exempt a public improvement contract or a class of public
7 improvement contracts from the competitive bidding requirements of subsection (1) of this section
8 upon approval of the following findings submitted by the contracting agency seeking the exemption:

9 (a) It is unlikely that the exemption will encourage favoritism in the awarding of public im-
10 provement contracts or substantially diminish competition for public improvement contracts; and

11 (b) The awarding of public improvement contracts under the exemption will result in substantial
12 cost savings to the contracting agency or, if the contracts are for public improvements described in
13 ORS 279A.050 (3)(b), to the contracting agency or the public. In making the finding, the Director of
14 the Oregon Department of Administrative Services, the Director of Transportation or the local
15 contract review board may consider the type, cost and amount of the contract, the number of per-
16 sons available to bid and such other factors as may be deemed appropriate.

17 (3) In making findings to support an exemption for a class of public improvement contracts, the
18 contracting agency shall clearly identify the class using the class's defining characteristics. Those
19 characteristics shall include some combination of project descriptions or locations, time periods,
20 contract values, methods of procurement or other factors that distinguish the limited and related
21 class of public improvement contracts from the contracting agency's overall construction program.
22 The contracting agency may not identify a class solely by funding source, such as a particular bond
23 fund, or by the method of procurement, but shall identify the class using characteristics that rea-
24 sonably relate to the exemption criteria set forth in subsection (2) of this section.

25 (4) In granting exemptions under subsection (2) of this section, the Director of the Oregon De-
26 partment of Administrative Services, the Director of Transportation or the local contract review
27 board shall:

28 (a) When appropriate, direct the use of alternate contracting methods that take account of
29 market realities and modern practices and are consistent with the public policy of encouraging
30 competition.

31 (b) Require and approve or disapprove written findings by the contracting agency that support
32 the awarding of a particular public improvement contract or a class of public improvement con-
33 tracts, without the competitive bidding requirement of subsection (1) of this section. The findings
34 must show that the exemption of a contract or class of contracts complies with the requirements
35 of subsection (2) of this section.

36 (5)(a) Before final adoption of the findings required by subsection (2) of this section exempting
37 a public improvement contract or a class of public improvement contracts from the requirement of
38 competitive bidding, a contracting agency shall hold a public hearing.

39 (b) Notification of the public hearing shall be published in at least one trade newspaper of
40 general statewide circulation a minimum of 14 days before the hearing.

41 (c) The notice shall state that the public hearing is for the purpose of taking comments on the
42 contracting agency's draft findings for an exemption from the competitive bidding requirement. At
43 the time of the notice, copies of the draft findings shall be made available to the public. At the op-
44 tion of the contracting agency, the notice may describe the process by which the findings are finally
45 adopted and may indicate the opportunity for any further public comment.

1 (d) At the public hearing, the contracting agency shall offer an opportunity for any interested
 2 party to appear and present comment.

3 (e) If a contracting agency is required to act promptly due to circumstances beyond the con-
 4 tracting agency's control that do not constitute an emergency, notification of the public hearing may
 5 be published simultaneously with the contracting agency's solicitation of contractors for the alter-
 6 native public contracting method, as long as responses to the solicitation are due at least five days
 7 after the meeting and approval of the findings.

8 (6) After declaring that an emergency exists in accordance with rules adopted under ORS
 9 279A.065, a contracting agency may award a public improvement contract in response to the emer-
 10 gency without using a competitive solicitation.

11 (7) A public improvement contract awarded under the competitive bidding requirement of sub-
 12 section (1) of this section may be amended only in accordance with rules adopted under ORS
 13 279A.065.

14 (8) Public improvement contracts excepted from competitive bid requirements under subsection
 15 (1)(a), (c), (d), ~~(e) or (f)~~ **or (e)** of this section are not subject to the exemption requirements of
 16 subsection (2) of this section.

17 **SECTION 7.** ORS 279C.335, as amended by sections 104 and 105a, chapter 794, Oregon Laws
 18 2003, sections 13 and 14, chapter 103, Oregon Laws 2005, and sections 59 and 60, chapter 625,
 19 Oregon Laws 2005, is amended to read:

20 279C.335. (1) All public improvement contracts shall be based upon competitive bids except:

21 (a) Contracts made with qualified nonprofit agencies providing employment opportunities for
 22 disabled individuals under ORS 279.835 to 279.855.

23 (b) A public improvement contract exempt under subsection (2) of this section.

24 (c) A public improvement contract with a value of less than \$5,000.

25 *[(d) Contracts for repair, maintenance, improvement or protection of property obtained by the De-*
 26 *partment of Veterans' Affairs under ORS 407.135 and 407.145 (1).]*

27 *[(e)]* (d) Energy savings performance contracts entered into in accordance with rules of proce-
 28 dure adopted under ORS 279A.065.

29 *[(f)]* (e) A public improvement contract awarded under subsection (6) of this section in response
 30 to an emergency.

31 (2) Subject to subsection (4)(b) of this section, the Director of the Oregon Department of Ad-
 32 ministrative Services or a local contract review board may exempt a public improvement contract
 33 or a class of public improvement contracts from the competitive bidding requirements of subsection
 34 (1) of this section upon approval of the following findings submitted by the contracting agency
 35 seeking the exemption:

36 (a) It is unlikely that the exemption will encourage favoritism in the awarding of public im-
 37 provement contracts or substantially diminish competition for public improvement contracts; and

38 (b) The awarding of public improvement contracts under the exemption will result in substantial
 39 cost savings to the contracting agency. In making the finding, the director or the local contract
 40 review board may consider the type, cost and amount of the contract, the number of persons avail-
 41 able to bid and such other factors as may be deemed appropriate.

42 (3) In making findings to support an exemption for a class of public improvement contracts, the
 43 contracting agency shall clearly identify the class using the class's defining characteristics. Those
 44 characteristics shall include some combination of project descriptions or locations, time periods,
 45 contract values, methods of procurement or other factors that distinguish the limited and related

1 class of public improvement contracts from the contracting agency’s overall construction program.
 2 The contracting agency may not identify a class solely by funding source, such as a particular bond
 3 fund, or by the method of procurement, but shall identify the class using characteristics that rea-
 4 sonably relate to the exemption criteria set forth in subsection (2) of this section.

5 (4) In granting exemptions under subsection (2) of this section, the director or the local contract
 6 review board shall:

7 (a) When appropriate, direct the use of alternate contracting methods that take account of
 8 market realities and modern practices and are consistent with the public policy of encouraging
 9 competition.

10 (b) Require and approve or disapprove written findings by the contracting agency that support
 11 the awarding of a particular public improvement contract or a class of public improvement con-
 12 tracts, without the competitive bidding requirement of subsection (1) of this section. The findings
 13 must show that the exemption of a contract or class of contracts complies with the requirements
 14 of subsection (2) of this section.

15 (5)(a) Before final adoption of the findings required by subsection (2) of this section exempting
 16 a public improvement contract or a class of public improvement contracts from the requirement of
 17 competitive bidding, a contracting agency shall hold a public hearing.

18 (b) Notification of the public hearing shall be published in at least one trade newspaper of
 19 general statewide circulation a minimum of 14 days before the hearing.

20 (c) The notice shall state that the public hearing is for the purpose of taking comments on the
 21 contracting agency’s draft findings for an exemption from the competitive bidding requirement. At
 22 the time of the notice, copies of the draft findings shall be made available to the public. At the op-
 23 tion of the contracting agency, the notice may describe the process by which the findings are finally
 24 adopted and may indicate the opportunity for any further public comment.

25 (d) At the public hearing, the contracting agency shall offer an opportunity for any interested
 26 party to appear and present comment.

27 (e) If a contracting agency is required to act promptly due to circumstances beyond the con-
 28 tracting agency’s control that do not constitute an emergency, notification of the public hearing may
 29 be published simultaneously with the contracting agency’s solicitation of contractors for the alter-
 30 native public contracting method, as long as responses to the solicitation are due at least five days
 31 after the meeting and approval of the findings.

32 (6) After declaring that an emergency exists in accordance with rules adopted under ORS
 33 279A.065, a contracting agency may award a public improvement contract in response to the emer-
 34 gency without using a competitive solicitation.

35 (7) A public improvement contract awarded under the competitive bidding requirement of sub-
 36 section (1) of this section may be amended only in accordance with rules adopted under ORS
 37 279A.065.

38 (8) Public improvement contracts excepted from competitive bid requirements under subsection
 39 (1)(a), (c), (d)[, (e) or (f)] **or (e)** of this section are not subject to the exemption requirements of
 40 subsection (2) of this section.

41 **SECTION 8.** ORS 407.177 is amended to read:

42 407.177. (1) When the Department of Veterans’ Affairs considers such contracts necessary to
 43 improve the financial condition of the loan program conducted under this chapter, the department
 44 is authorized to enter into contracts with lending institutions under which the lending institutions
 45 may provide any of the following services:

1 (a) Processing of new loans and purchase contracts; and

2 (b) Management and servicing of new loans and purchase contracts.

3 (2) Contracts entered into by the department under this section may provide that the lending
4 institution:

5 (a) Receive applications for loans for the acquisition of homes or farms under this chapter;

6 (b) Immediately investigate and process an application for a loan as provided by law; and

7 (c) For approved loans or contracts, if requested by the department, service the loan or purchase
8 contract for a period of time specified by the department.

9 (3) When a lending institution, pursuant to a contract authorized by this section, receives an
10 application for a loan for the acquisition of a manufactured home, as defined in ORS 197.295, the
11 lending institution shall investigate and process the application in the manner prescribed in the
12 contract between the lending institution and the department.

13 (4) When a lending institution, pursuant to a contract authorized by this section, investigates
14 and processes a loan application that it considers eligible for approval under this chapter, the
15 lending institution shall notify the department and state the reasons why the loan may be approved
16 under this chapter. The department shall retain final authority to approve or disapprove the loan.
17 If the department disapproves the loan, the department shall notify the lending institution and the
18 applicant of the disapproval and shall indicate the reasons for the disapproval. When the department
19 is satisfied that all requirements for approval of a loan have been met by the applicant and the
20 lending institution and that the property offered as security for the loan protects the interests of the
21 state, the department shall transfer to the lending institution an amount of money from the Oregon
22 War Veterans' Fund equal to the loan amount approved by the department. The lending institution
23 shall disburse the money in the manner prescribed by the department. The lending institution shall
24 record the mortgage, trust deed, contract or other security agreement relating to the loan and then
25 shall forward all the original loan documents to the department.

26 (5) All moneys received by a lending institution as payments on principal and interest for loans
27 made under this chapter shall be paid to the department in accordance with the terms of the con-
28 tract between the department and the lending institution.

29 (6) The department and lending institution shall mutually agree upon the compensation to be
30 paid to the lending institution for services performed under a contract authorized by this section.
31 Such compensation may be a fixed annual payment or a percentage of the amount of each loan or
32 purchase contract processed or serviced by the lending institution under the contract.

33 *[(7) Contracts entered into under this section are exempt from the requirements of the provisions*
34 *of ORS 279.835 to 279.855 and ORS chapters 279A, 279B and 279C regarding personal services con-*
35 *tracts.]*

36 *[(8)]* (7) As used in this section, "lending institution" means an entity that is licensed to conduct
37 business in the State of Oregon exclusively or in part as a mortgage lender or a conduit for mort-
38 gage loans and that, in the judgment of the department, is capable of meeting the needs of the de-
39 partment in carrying out this chapter.

40 **SECTION 9.** ORS 407.465 is amended to read:

41 407.465. (1) Subject to the limitations provided for in this chapter, the Department of Veterans'
42 Affairs may provide loan cancellation life insurance for any person who receives or assumes a loan
43 or makes a contract under this chapter for the acquisition of a home or farm, and the spouse or
44 former spouse of that person.

45 (2) The insurance may insure the life of the person who receives or assumes the loan or who is

1 the contract purchaser and the life of the spouse or former spouse of that person for all or a portion
 2 of the amount of principal and interest due on the state loan or contract. However, for each loan
 3 or contract, the lives of not more than two persons shall be insured. The State of Oregon shall be
 4 named the beneficiary of the insurance. When an individual insured under this chapter dies, the
 5 proceeds of the insurance shall be used to pay all or the insured portion of the balance of the state
 6 loan or contract, and the department shall issue a revised payment plan or a satisfaction of the loan
 7 or contract.

8 *[(3) The Oregon Department of Administrative Services shall procure loan cancellation life insur-*
 9 *ance to meet the requirements of this chapter in compliance with the laws governing the purchase and*
 10 *furnishing of services to state agencies.]*

11 **SECTION 10.** ORS 408.375 is amended to read:

12 408.375. The Director of Veterans' Affairs shall enter into a contract with a nongovernmental
 13 entity for the operation and management of the second Oregon Veterans' Home authorized by sec-
 14 tion 1, chapter 591, Oregon Laws 1995. The entity with whom the director contracts under this
 15 section shall be a person experienced in the operation and staffing of long term care facilities, as
 16 defined in ORS 442.015. The contract executed under this section [*shall be subject to the requirements*
 17 *of ORS chapters 279A and 279B, except ORS 279A.140 and 279B.235, and]* shall provide that:

18 (1) The party who contracts to manage and operate the second Oregon Veterans' Home shall
 19 be responsible for hiring and maintaining the necessary staff for the facility.

20 (2) The Director of Veterans' Affairs shall assign not more than one state employee on a full-
 21 time basis to provide oversight of the management of the facility.

22 (3) The second Oregon Veterans' Home shall admit only patients who are war veterans, as de-
 23 fined in ORS 174.105.

24 **SECTION 11. (1) The amendments to ORS 406.050 by section 1 of this 2007 Act apply to**
 25 **monetary and nonmonetary grants, gifts or donations received before, on or after the effec-**
 26 **tive date of this 2007 Act.**

27 **(2) The amendments to ORS 270.100 by section 2 of this 2007 Act apply to real property**
 28 **and any interest in real property that the Department of Veterans' Affairs acquires or sells,**
 29 **or both, on or after the effective date of this 2007 Act.**

30 **(3) The amendments to ORS 279A.025, 279A.050, 279C.335, 407.177, 407.465 and 408.375 by**
 31 **sections 3 to 10 of this 2007 Act apply to contracts entered into on or after the effective date**
 32 **of this 2007 Act.**

33 **SECTION 12.** ORS 113.085 is amended to read:

34 113.085. (1) Except as provided in subsection (2) of this section, upon the filing of the petition,
 35 if there is no will or there is a will and it has been proved, the court shall appoint a qualified person
 36 it finds suitable as personal representative, giving preference in the following order:

37 (a) To the executor named in the will.

38 (b) To the surviving spouse of the decedent or the nominee of the surviving spouse of the
 39 decedent.

40 (c) To the nearest of kin of the decedent or the nominee of the nearest of kin of the decedent.

41 (d) To the Director of Human Services or a designee, if it appears the decedent received public
 42 assistance pursuant to ORS chapter 411 or 414 and that such assistance is a claim against the es-
 43 tate.

44 (e) To the Department of Veterans' Affairs, if the decedent was a protected person under ORS
 45 406.050 [(7)] (5), and the department has joined in the petition for such appointment.

1 (f) To any other person.

2 (2) Except as provided in subsection (3) of this section, the court shall appoint the Department
 3 of State Lands as personal representative if it appears that the decedent died wholly intestate and
 4 without known heirs. The Attorney General shall represent the Department of State Lands in the
 5 administration of the estate. Any funds received by the Department of State Lands in the capacity
 6 of personal representative may be deposited in accounts, separate and distinct from the General
 7 Fund, established with the State Treasurer. Interest earned by such account shall be credited to that
 8 account.

9 (3) The court may appoint a person other than the Department of State Lands to administer the
 10 estate of a decedent who died wholly intestate and without known heirs if the person filing a peti-
 11 tion under ORS 113.035 attaches written authorization from an estate administrator of the Depart-
 12 ment of State Lands appointed under ORS 113.235 approving the filing of the petition by the person.
 13 Except as provided by rule adopted by the Director of the Department of State Lands, an estate
 14 administrator may consent to the appointment of another person to act as personal representative
 15 only if it appears after investigation that the estate is insolvent.

16 **SECTION 13.** ORS 125.240 is amended to read:

17 125.240. (1) If a petition seeks the appointment of a professional fiduciary as described in sub-
 18 section (5) of this section, the petition must contain the following information in addition to that
 19 information required under ORS 125.055:

20 (a) A description of the events that led to the involvement of the professional fiduciary in the
 21 case.

22 (b) The professional fiduciary's educational background and professional experience.

23 (c) The fees charged by the professional fiduciary and whether the fees are on an hourly basis
 24 or are based on charges for individual services rendered.

25 (d) The names of providers of direct services to protected persons that are repeatedly used by
 26 the professional fiduciary under contract.

27 (e) The disclosures required under ORS 125.221 if the person nominated to act as fiduciary will
 28 employ a person in which the nominated person has a pecuniary or financial interest.

29 (f) The number of protected persons for whom the person performs fiduciary services at the time
 30 of the petition.

31 (g) Whether the professional fiduciary has ever had a claim against the bond of the fiduciary
 32 and a description of the circumstances causing the claim.

33 (h) Whether the professional fiduciary or any staff with responsibility for making decisions for
 34 clients or for management of client assets has ever filed for bankruptcy and the date of filing.

35 (i) Whether the professional fiduciary or any staff with responsibility for making decisions for
 36 clients or for management of client assets has ever been denied a professional license that is directly
 37 related to responsibilities of the professional fiduciary, or has ever held a professional license that
 38 is directly related to responsibilities of the professional fiduciary that was revoked or canceled. If
 39 such a license has been denied, revoked or canceled, the petition must reflect the date of the denial,
 40 revocation or cancellation and the name of the regulatory body that denied, revoked or canceled the
 41 license.

42 (j) A statement that the criminal records check required under subsection (2) of this section does
 43 not disqualify the person from acting as a fiduciary.

44 (k) Whether the professional fiduciary and any staff responsible for making decisions for clients
 45 or for management of client assets is or has been certified by a national or state association of

1 professional fiduciaries, the name of any such association and whether the professional fiduciary or
 2 other staff person has ever been disciplined by any such association and the result of the discipli-
 3 nary action.

4 (L) The name, address and telephone number of the individual who is to act as primary decision
 5 maker for the protected person and the name of the person with whom the protected person will
 6 have personal contact if that person is not the person who will act as primary decision maker for
 7 the protected person.

8 (2)(a) If a petition seeks the appointment of a professional fiduciary as described in subsection
 9 (5) of this section, the professional fiduciary and all staff with responsibility for making decisions for
 10 clients or for management of client assets must undergo a criminal records check before the court
 11 may appoint the professional fiduciary. The results of the criminal records check shall be provided
 12 by the petitioner to the court. Results of criminal records checks submitted to the court are confi-
 13 dential, shall be subject to inspection only by the parties to the proceedings and their attorneys, and
 14 shall not be subject to inspection by members of the public except pursuant to a court order entered
 15 after a showing of good cause. A professional fiduciary must disclose to the court any criminal
 16 conviction of the professional fiduciary that occurs after the criminal records check was performed.
 17 The criminal records check under this subsection shall consist of a check for a criminal record in
 18 the State of Oregon and a national criminal records check if:

19 (A) The person has resided in another state within five years before the date that the criminal
 20 records check is performed;

21 (B) The person has disclosed the existence of a criminal conviction; or

22 (C) A criminal records check in Oregon discloses the existence of a criminal record in another
 23 jurisdiction.

24 (b) The requirements of this subsection do not apply to any person who serves as a public
 25 guardian or conservator, or any staff of a public guardian or conservator, who is operating under
 26 ORS 125.700 to 125.730 or 406.050 (5) and who is otherwise required to acquire a criminal records
 27 check for other purposes.

28 (3)(a) If a petition seeks the appointment of a public guardian and conservator operating under
 29 the provisions of ORS 125.700 to 125.730, or the appointment of a conservator under ORS 406.050
 30 [(7)] (5), the petition need not contain the information described in subsection (1)(d) or (L) of this
 31 section.

32 (b) If a public guardian and conservator operating under the provisions of ORS 125.700 to
 33 125.730 is appointed to act as a fiduciary, or a conservator operating under the authority of ORS
 34 406.050 [(7)] (5) is appointed, the public guardian or conservator must file with the court within
 35 three days after receipt of written notice of the appointment a statement containing the name, ad-
 36 dress and telephone number of the individual who will act as primary decision maker for the pro-
 37 tected person and the name of the person with whom the protected person will have personal
 38 contact if the person named as primary decision maker will not have personal contact with the
 39 protected person.

40 (4) If the court appoints a professional fiduciary as described in subsection (5) of this section,
 41 the professional fiduciary must update all information required to be disclosed by subsection (1) of
 42 this section and provide a copy of the updated statement upon the request of the protected person
 43 or upon the request of any person entitled to notice under ORS 125.060 (3). The professional
 44 fiduciary must provide an updated statement without demand to the court, the protected person and
 45 persons entitled to notice under ORS 125.060 (3) at any time that there is a change in the informa-

tion provided under subsection (1)(L) or (3)(b) of this section.

(5) The provisions of this section apply to any person nominated as a fiduciary or serving as a fiduciary who is acting at the same time as a fiduciary for three or more protected persons who are not related to the fiduciary.

SECTION 14. ORS 125.410 is amended to read:

125.410. (1) Except as provided in subsection (2) of this section, the court shall require a conservator to furnish a bond conditioned upon faithful discharge of all duties of the conservator according to law, with sureties as specified by the court. Unless otherwise directed, the bond must be in the amount of the aggregate capital value of the property of the estate in the control of the conservator plus one year's estimated income minus the value of securities and money deposited under arrangements requiring an order of the court for their removal and the value of any real property that the conservator, by express limitation of power, lacks power to sell or convey without court authorization.

(2)(a) The court may waive a bond for good cause shown.

(b) Subsection (1) of this section does not affect the provisions of ORS 709.240, relating to a trust company acting as fiduciary, ORS 125.715, relating to a public guardian acting as fiduciary, or ORS 406.050 [(7)] (5), relating to the Department of Veterans' Affairs acting as fiduciary.

(3) Sureties for a bond required under this section are jointly and severally liable with the conservator and with each other.

(4) Letters of conservatorship may not be issued until the bond required by this section is approved by the court.

(5) The bond of the conservator continues in effect until the sureties on the bond are released by order of the court.

(6) The court may at any time increase or reduce the amount of the bond required of a conservator for the protection of the protected person and the estate of the protected person.

(7) If a surety on a bond required by this section gives notice of intent to cancel the bond, the conservator shall execute and file in the protective proceeding a new bond before the cancellation date specified by the surety. The new bond shall be in the amount and subject to those conditions that may be required by the court. If the conservator fails to file a new bond, the authority of the conservator ends on the date specified by the surety for cancellation of the bond. The letters of conservatorship issued to the conservator are void from that date, and the conservator must make and file the final accounting of the conservator.

SECTION 15. ORS 406.100 is amended to read:

406.100. If the Department of Veterans' Affairs is appointed as a conservator under ORS 406.050 (5) or a personal representative under ORS 113.085, the department shall have a claim against the estate of the protected person or the decedent, as the case may be, for all of the following:

(1) Reasonable expenses incurred by the department in the execution or administration of the estate.

(2) After the appointment of the department as conservator, compensation for ordinary services in an amount not to exceed five percent of income to the estate, and reasonable compensation for unusual services as set forth by rule by the department.

(3) After the appointment of the department as personal representative, compensation as provided in ORS 116.173.

(4) With prior approval by the court having probate jurisdiction over the estate, fees charged to the department by the Attorney General for advice or assistance in the performance of the de-

1 partment's duties as conservator or personal representative of the estate.

2 **SECTION 16.** ORS 406.120 is amended to read:

3 406.120. (1) The Conservatorship Services Account is established as a separate account within
4 the Oregon War Veterans' Fund. The Conservatorship Services Account shall consist of all moneys
5 received by the Department of Veterans' Affairs as payment of claims arising under ORS 406.100.

6 (2) The moneys in the Conservatorship Services Account are continuously appropriated to the
7 department for payment of expenses incurred while serving as conservator under ORS 406.050 (5)
8 or personal representative under ORS 406.085.

9 (3) Moneys in the Conservatorship Services Account shall be held and set aside separately from
10 the other moneys in the Oregon War Veterans' Fund, but such account may be accounted for as part
11 of the Oregon War Veterans' Fund.

12 **SECTION 17.** ORS 408.365 is amended to read:

13 408.365. Moneys to pay for the expenses of operating the Oregon Veterans' Home may be ap-
14 propriated from:

15 (1) The General Fund;

16 (2) The Oregon War Veterans' Fund pursuant to section 1 (1)(e), Article XI-A, Oregon Consti-
17 tution; and

18 (3) Moneys donated to the trust fund established [*by the Director of Veterans' Affairs*] under ORS
19 406.050. [*for the purpose of paying for the expenses of operating the Oregon Veterans' Home, or moneys*
20 *in the trust fund that the director determines may be expended for those purposes.*]

21 **SECTION 18.** ORS 805.205 is amended to read:

22 805.205. (1) The Department of Transportation by rule shall provide for issuance of registration
23 plates described in subsection (3) of this section for nonprofit groups meeting the qualifications for
24 tax exempt status under section 501(c)(3) of the Internal Revenue Code, for institutions of higher
25 education and for veterans' organizations. The department shall also provide, upon request from a
26 veterans' group or the Director of Veterans' Affairs, for issuance of a veterans' recognition regis-
27 tration plate that may be issued only to veterans. Plates issued under this section may be issued to
28 owners of motor vehicles registered under the provisions of ORS 803.420 (1). Plates issued under
29 this section may not contain expressions of political opinion or religious belief. Rules adopted under
30 this section shall include, but need not be limited to, rules that:

31 (a) Describe general qualifications to be met by any group in order to be eligible for plates is-
32 sued under this section.

33 (b) Specify circumstances under which the department may cease to issue plates for any partic-
34 ular group.

35 (c) Require each group for which plates are issued, other than a group or the Director of Vet-
36 erans' Affairs requesting a veterans' recognition plate, to file an annual statement on a form de-
37 signed by the department showing that the group is a nonprofit group or an institution of higher
38 education and otherwise meets the qualifications imposed for eligibility for plates issued under this
39 section. The statement shall include names and addresses of current directors or officers of the
40 group or of other persons authorized to speak for the group or institution on matters affecting plates
41 issued under this section.

42 (d) Require proof of veteran status for issuance of a veterans' recognition plate and specify what
43 constitutes proof.

44 (2)(a) Except as otherwise provided in paragraph (b) of this subsection, in addition to any other
45 fee authorized by law, upon issuance of a plate under this section and upon renewal of registration

1 for a vehicle that has plates issued under this section, the department shall collect a surcharge of
2 \$2.50 per plate for each year of the registration period.

3 (b) In addition to any other fee authorized by law, upon issuance of a plate under this section
4 that recognizes an institution of higher education in this state, and upon renewal of registration for
5 a vehicle that has such plates, the department shall collect a surcharge of \$8 per plate for each year
6 of the registration period.

7 (3) Plates issued under this section shall be from the current regular issue of plates except that:

8 (a) In consultation with the group or the Director of Veterans' Affairs requesting the plates, the
9 department shall add words to the plate that name or describe the group or veterans recognized.

10 (b) If the group or the Director of Veterans' Affairs requesting the plates represents persons
11 who have been awarded the Purple Heart medal, the plates shall contain an image of the medal.

12 (c) If the group requesting the plates is an institution of higher education, the plates shall, upon
13 request, contain words that indicate the plates are issued to recognize the institution or shall con-
14 tain the institution's logo or an image of the institution's mascot.

15 (4) Except as otherwise required by the design chosen, the plates shall comply with the re-
16 quirements of ORS 803.535. The department shall determine how many sets of plates shall be man-
17 ufactured for each group approved under this section or for the Director of Veterans' Affairs. If the
18 department does not sell or issue renewal for 500 sets of plates for a particular group or for the
19 Director of Veterans' Affairs in any one year, the department shall cease production of those plates.

20 (5) Except as otherwise provided in subsection (6) of this section, each group that is found by
21 the department to be eligible for plates issued under this section may designate an account into
22 which the net proceeds of the surcharge collected by the department under subsection (2) of this
23 section are to be deposited. The department shall keep accurate records of the number of plates is-
24 sued for each group that qualifies. After payment of administrative expenses of the department,
25 moneys collected under this section for each group shall be deposited by the department into an
26 account specified by that group. If any group does not specify an account for the moneys collected
27 from the sale of plates issued under this section, the department shall deposit moneys collected for
28 those plates into the Environmental Quality Information Account established under ORS 802.100 to
29 be used as other moneys in the account are used. Deposits under this subsection shall be made at
30 least quarterly.

31 (6)(a) Each institution of higher education that requests a plate under this section shall desig-
32 nate an account in the general fund of the institution, and the proceeds in the account shall be used
33 for the purpose of academic enrichment at the institution.

34 (b) Net proceeds of the surcharge collected by the department for the veterans' recognition plate
35 shall be deposited in the trust fund established under ORS 406.050. [*for paying the expenses of oper-*
36 *ating the Oregon Veterans' Home.*] Deposits under this paragraph shall be made at least quarterly.

37 **SECTION 19.** ORS 805.206 is amended to read:

38 805.206. (1) A group, institution or organization that requests issuance of a plate under ORS
39 805.205 shall pay to the Department of Transportation an application fee of \$10,000 in addition to
40 all of the department's anticipated costs of adding the group to the program. The department may
41 not begin creating or issuing the plates until the application fee and anticipated costs are paid. If
42 1,000 sets of the plates are purchased in the first 12 months that the plates are available, the de-
43 partment shall refund the application fee. For purposes of this section, costs of adding a new group
44 include, but are not limited to, computer programming costs and vendor set-up fees.

45 (2) If the Director of Veterans' Affairs requests issuance of a plate under ORS 805.205, the di-

1 rector shall pay to the department the application fee and all of the department's anticipated costs
2 of issuance of the plate from grants, donations and gifts accepted by the director **or the Depart-**
3 **ment** of Veterans' Affairs under ORS 406.050 that are expendable for the purpose of issuance of a
4 veterans' recognition registration plate.

5 **SECTION 20. This 2007 Act being necessary for the immediate preservation of the public**
6 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
7 **on its passage.**

8
