

House Bill 3626

Sponsored by COMMITTEE ON ELECTIONS, ETHICS AND RULES (at the request of Joint Interim Committee on Ways and Means)

SUMMARY

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

Clarifies authority of officer of local government who has custody of public moneys.
Establishes Oregon Pre-Disaster Mitigation Fund and Oregon Disaster Response Fund. Continuously appropriates moneys in funds to Oregon Military Department for specified purposes.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to public financial administration; creating new provisions; amending ORS 294.145, 294.847
3 and 401.280; repealing ORS 401.535; appropriating money; and declaring an emergency.

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

5 **SECTION 1.** ORS 294.145 is amended to read:

6 294.145. In making investments pursuant to ORS 294.035, the custodial officer *[shall]* **may** not:

7 (1) Make a commitment to invest funds or sell securities more than 14 business days prior to
8 the anticipated date of settlement of the purchase or sale transaction;

9 (2) Enter into any agreement to invest funds or sell securities for future delivery for a fee other
10 than interest;

11 (3) Lend securities to any person or institution, except:

12 (a) On a fully collateralized basis, *and except*; **and**

13 (b) When *[such]* **the** lending is specifically permitted under an investment policy adopted pur-
14 suant to ORS 294.135 (1)(a);

15 (4) Pay for any securities purchased by the custodial officer until the officer has received suffi-
16 cient evidence of title *[thereof]* **to the securities**. Evidence of title *[shall]* **must** be consistent with
17 modern investment, banking and commercial practices and may include physical possession, book
18 entry and automated recordation of such title. However, the custodial officer may instruct one or
19 more *[custodian banks, as defined in ORS 295.001,]* **custodial agents or banks** to accept or release
20 securities as that custodial officer considers advisable to be held in safekeeping for collection of
21 principal and interest or other income; or

22 (5) Deliver securities to the purchaser *[thereof]* **of the securities** upon sale prior to receiving
23 payment in full *[therefor]* **for the securities**. However, the custodial officer may deliver the securi-
24 ties to any *[custodian bank, defined in ORS 295.001]* **custodial agent or bank** upon instructions to
25 hold the *[same]* **securities** pending receipt by the *[institution]* **custodial agent or bank** of full pay-
26 ment *[therefor]* **for the securities**.

27 **SECTION 2.** ORS 294.847 is amended to read:

28 294.847. In making investments pursuant to ORS 294.805 to 294.895, the investment officer
29 *[shall]* **may** not:

30 (1) Make a commitment to invest funds or sell securities more than 14 business days prior to

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

1 the anticipated date of settlement of the purchase or sale transaction;

2 (2) Enter into any agreement to invest funds or sell securities for future delivery for a fee other
3 than interest;

4 (3) Lend securities to any person or institution, except on a fully collateralized basis;

5 (4) Pay for any securities purchased by the investment officer until the investment officer has
6 received physical possession, or other sufficient evidence, as determined under ORS 293.751 (1), of
7 title *[thereof]* **to the securities**. However, the investment officer may instruct any *[custodian bank,*
8 *defined in ORS 295.001,]* **custodial agent or bank** to accept securities on the investment officer's
9 behalf against payment *[therefor]* **for the securities** previously deposited with the *[institution]* **cus-**
10 **todial agent or bank** by the investment officer; or

11 (5) Deliver securities to the purchaser *[thereof]* **of the securities** upon sale prior to receiving
12 payment in full *[therefor]* **for the securities**. However, the investment officer may deliver the secu-
13 rities to any *[custodian bank, defined in ORS 295.001,]* **custodial agent or bank** upon instructions
14 to hold the *[same]* **securities** pending receipt by the *[institution]* **custodial agent or bank** of full
15 payment *[therefor]* **for the securities**.

16 **SECTION 3.** ORS 294.847, as operative until July 1, 2008, is amended to read:

17 294.847. In making investments pursuant to ORS 294.805 to 294.895, the investment officer
18 *[shall]* **may** not:

19 (1) Make a commitment to invest funds or sell securities more than 14 business days prior to
20 the anticipated date of settlement of the purchase or sale transaction;

21 (2) Enter into any agreement to invest funds or sell securities for future delivery for a fee other
22 than interest;

23 (3) Lend securities to any person or institution, except on a fully collateralized basis;

24 (4) Pay for any securities purchased by the investment officer until the investment officer has
25 received physical possession, or other sufficient evidence, as determined under ORS 293.751 (1), of
26 title *[thereof]* **to the securities**. However, the investment officer may instruct any *[custodian bank,*
27 *defined in ORS 295.001 (2),]* **custodial agent or bank** to accept securities on the investment officer's
28 behalf against payment *[therefor]* **for the securities** previously deposited with the *[institution]* **cus-**
29 **todial agent or bank** by the investment officer; or

30 (5) Deliver securities to the purchaser *[thereof]* **of the securities** upon sale prior to receiving
31 payment in full *[therefor]* **for the securities**. However, the investment officer may deliver the secu-
32 rities to any *[custodian bank, defined in ORS 295.001 (2),]* **custodial agent or bank** upon in-
33 structions to hold the *[same]* **securities** pending receipt by the *[institution]* **custodial agent or bank**
34 of full payment *[therefor]* **for the securities**.

35 **SECTION 4. (1) The Oregon Pre-Disaster Mitigation Fund is established in the State**
36 **Treasury, separate and distinct from the General Fund. Moneys received from federal grants**
37 **for pre-disaster mitigation efforts shall be deposited into the Oregon Pre-Disaster Mitigation**
38 **Fund. Moneys in the fund are continuously appropriated to the Oregon Military Department**
39 **to be used to:**

40 (a) **Help state agencies and local government units with mitigation efforts in this state**
41 **prior to the occurrence of natural disasters; and**

42 (b) **Ensure, to the extent possible, that state and local agencies and officials are prepared**
43 **to respond to threats of human-caused disaster, including but not limited to acts of**
44 **terrorism.**

45 (2) **The Oregon Pre-Disaster Mitigation Fund may receive gifts, grants, bequests,**

1 endowments and donations from public and private sources for purposes related to the fund.

2 (3) The Oregon Military Department shall adopt rules for the disbursement of moneys
3 from the Oregon Pre-Disaster Mitigation Fund.

4 **SECTION 5.** (1) The Oregon Disaster Response Fund is established in the State Treasury,
5 separate and distinct from the General Fund. Moneys received from federal grants for dis-
6 aster response efforts shall be deposited into the Oregon Disaster Response Fund. Moneys
7 in the fund are continuously appropriated to the Oregon Military Department to be used to:

8 (a) Help state agencies and local government units with immediate disaster response and
9 recovery efforts related to federally declared disasters in this state; and

10 (b) Implement long-term hazard mitigation measures after a federally declared disaster
11 in this state during the period of immediate recovery from the disaster.

12 (2) The Oregon Disaster Response Fund may receive gifts, grants, bequests, endowments
13 and donations from public and private sources for purposes related to the fund.

14 (3) The Oregon Military Department shall adopt rules for the disbursement of moneys
15 from the Oregon Disaster Response Fund.

16 (4) If there are expenditures from the Oregon Disaster Response Fund, the Adjutant
17 General of the Oregon Military Department shall report to the Emergency Board, or to the
18 Legislative Assembly if it is in session, on:

19 (a) The nature and severity of the disaster;

20 (b) The actual and projected deposits into the fund;

21 (c) The sources of actual and projected expenditures from the fund;

22 (d) The nature of in-kind donations received; and

23 (e) The rationale for expenditures and allocation of payments to state agencies and local
24 government units.

25 (5) Following the final expenditure for a particular disaster, the Adjutant General of the
26 Oregon Military Department shall issue a final report to the Emergency Board, or to the
27 Legislative Assembly if it is in session. The report must include an aggregate description of
28 the factors described in subsection (4) of this section.

29 **SECTION 6.** (1) ORS 401.535 is repealed.

30 (2) Moneys remaining on the effective date of this 2008 Act in the Emergency Manage-
31 ment Revolving Account created in ORS 401.535 are transferred to the General Fund and
32 may be used for general governmental purposes.

33 **SECTION 7.** ORS 401.280 is amended to read:

34 401.280. (1) The Office of Emergency Management is designated as the sole agency of the State
35 of Oregon for the purpose of negotiating agreements with the United States Department of Home-
36 land Security or other appropriate federal agency, on behalf of the state, for the acquisition of fed-
37 eral funds for the purpose of providing emergency program management and emergency services.
38 All city or county emergency management programs, emergency service agencies and state agencies
39 applying for such funds shall coordinate with the office on development of proposals and shall sub-
40 mit applications to the department to be reviewed or processed, or both.

41 (2) The office is authorized to accept and receive on behalf of the state, counties and cities
42 federal funds for *[purpose]* **the purposes** of emergency program management and emergency
43 services*], to deposit such funds in the Emergency Management Revolving Account and to authorize the*
44 *disbursement and distribution of these funds in accordance with the applicable agreement].*

45 **SECTION 8.** This 2008 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2008 Act takes effect**
2 **on its passage.**

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