

## HOUSE AMENDMENTS TO HOUSE BILL 2105

By COMMITTEE ON REVENUE

May 6

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the line and insert “286A.001,  
2 286A.100, 287A.001 and 456.680; and”.

3 In line 7, after “agency” insert a colon and delete the rest of the line and line 8 and insert:

4 “(a) May bid for, purchase, hold, cause to be held in trust and remarket bonds issued by the  
5 State Treasurer on behalf of the related agency.

6 “(b) May not, except as provided in section 6 (2) of this 2009 Act, bid for, purchase, hold, cause  
7 to be held in trust and remarket bonds issued by the State Treasurer on behalf of another state  
8 agency.”.

9 Delete lines 15 and 16 and insert:

10 “(a) Deposited in a fund or account in the State Treasury for the use of the related agency or  
11 held by a trustee of the related agency; and

12 “(b) Appropriated or otherwise legally available to the related agency for repayment of the  
13 bonds or for payment”.

14 Delete lines 19 through 23 and insert:

15 “(4) Within two business days after using the authority to purchase bonds under this section,  
16 the State Treasurer shall notify the legislative revenue committees, when the Legislative Assembly  
17 is in regular or special session, or the Legislative Revenue Officer and the Legislative Fiscal Officer,  
18 during the interim, of:

19 “(a) The amount and status of the bonds purchased by or on behalf of a related agency under  
20 this section; and

21 “(b) The current or anticipated interest rates applicable to the bonds.

22 “(5) Not later than February 1 of each year, the State Treasurer shall submit a report to the  
23 legislative revenue committees, when the Legislative Assembly is in regular or special session, or  
24 to the Legislative Revenue Officer and the Legislative Fiscal Officer, during the interim, describing:

25 “(a) The amount and status of bonds purchased during the previous year by or on behalf of re-  
26 lated agencies under this section; and

27 “(b) The savings realized or costs incurred by related agencies from the purchase of bonds under  
28 this section.”.

29 On page 2, after line 1, insert:

30 “**SECTION 5. Section 6 of this 2009 Act is added to and made a part of ORS 293.701 to**  
31 **293.820.**

32 “**SECTION 6. (1) As used in this section:**

33 “(a) ‘Related agency’ has the meaning given that term in ORS 286A.001.

34 “(b) ‘State government’ has the meaning given that term in ORS 174.111.

35 “(2) If the State Treasurer, acting as investment officer, or a trustee, investing moneys

1 **for a related agency, purchases or acquires bonds issued by state government, the purchase**  
2 **or acquisition does not cancel or extinguish the bonds.**

3 **“SECTION 7.** ORS 286A.001 is amended to read:

4 “286A.001. As used in this chapter:

5 “(1) ‘Agreement for exchange of interest rates’ means a contract, or an option or forward com-  
6 mitment to enter into a contract, for the exchange of interest rates that provides for:

7 “(a) Payments based on levels of or changes in interest rates; or

8 “(b) Provisions to hedge payment, rate, spread or similar exposure including, but not limited to,  
9 an interest rate floor or cap or an option, put or call.

10 “(2) ‘Bond’:

11 “(a) Means a contractual undertaking or instrument of the State of Oregon to repay borrowed  
12 moneys.

13 “(b) Does not mean a financing agreement, as defined in ORS 283.085, if the principal amount  
14 of the agreement is \$100,000 or less, or a credit enhancement device.

15 “(3) ‘Counterparty’ means an entity with whom the State of Oregon enters into an agreement for  
16 exchange of interest rates.

17 “(4) ‘Credit enhancement device’:

18 “(a) Means a letter of credit, line of credit, standby bond purchase agreement, bond insurance  
19 policy, reserve surety bond or other device or facility used to enhance the creditworthiness, liquidity  
20 or marketability of bonds or agreements for the exchange of interest rates; and

21 “(b) Does not mean a bond.

22 “(5) ‘Credit enhancement device fee’ means a payment required to be made to the provider of a  
23 credit enhancement device securing a bond or securing an agreement for the exchange of interest  
24 rates.

25 “(6) ‘General obligation bond’ means a bond that constitutes indebtedness of the state under  
26 section 7, Article XI of the Oregon Constitution, and that is exempt from the \$50,000 limitation on  
27 indebtedness set forth in that section.

28 **“(7) ‘Operative document’ means a bond declaration, trust agreement, indenture, security**  
29 **agreement or other document in which the State of Oregon pledges property as security for**  
30 **an obligation, as defined in ORS 286A.100.**

31 “[7] (8) ‘Refunding bond’ means a bond of the State of Oregon that is issued to refund another  
32 bond, regardless of whether the refunding is on a current, advance, forward delivery, synthetic or  
33 other basis.

34 “[8] (9) ‘Related agency’ means the state agency that requests the State Treasurer to issue  
35 bonds pursuant to ORS 286A.025 or for which the State Treasurer has issued bonds.

36 “[9] (10) ‘Related bond’ means a bond for which the State of Oregon enters into an agreement  
37 for exchange of interest rates.

38 “[10] (11) ‘Revenue’ means all fees, tolls, excise taxes, assessments, property taxes and other  
39 taxes, rates, charges, rentals and other income or receipts derived by a state agency or to which a  
40 state agency is entitled.

41 “[11] (12) ‘Revenue bond’ means a bond of the State of Oregon that is not a general obligation  
42 bond.

43 “[12] (13) ‘State agency’:

44 “(a) Includes a statewide elected officer, board, commission, department, division, authority or  
45 other entity, without regard to the designation given to the entity, that is within state government,

1 as defined in ORS 174.111; and

2 “(b) Does not include:

3 “(A) A statewide elected judge;

4 “(B) The State Treasurer;

5 “(C) A local government, as defined in ORS 174.116;

6 “(D) The Oregon Health and Science University;

7 “(E) A special government body, as defined in ORS 174.117, except to the extent a special gov-

8 ernment body must be considered a state agency in order to achieve the purposes of Article XI-K

9 of the Oregon Constitution; or

10 “(F) A semi-independent state agency listed in ORS [182.451,] 182.454, 377.835 or 674.305, or any

11 other state agency denominated by statute as a semi-independent state agency.

12 “[13] (14) ‘Termination payment’ means the amount payable under an agreement for exchange

13 of interest rates by one party to another party as a result of the termination, in whole or part, of

14 the agreement prior to the expiration of the stated term.

15 “**SECTION 8.** ORS 286A.100 is amended to read:

16 “286A.100. As used in this section and ORS 286A.102:

17 “(1) ‘Obligation’ means:

18 “(a) A bond;

19 “(b) An agreement for exchange of interest rates with the State of Oregon; or

20 “(c) A credit enhancement device given as additional security for a bond.

21 “[(2) ‘Operative document’ means a bond declaration, trust agreement, indenture, security agree-

22 ment or other document in which the State of Oregon pledges property as security for an obligation.]

23 “[3] (2) ‘Pledge’ means:

24 “(a) To create a security interest in or a lien on property to secure payment or performance of

25 an obligation, by mortgaging, assigning or encumbering property or by creating a security interest

26 in property by any other manner.

27 “(b) A security interest in or lien on property created under paragraph (a) of this subsection.

28 “[4] (3) ‘Pledgee’ means:

29 “(a) A trustee for the holder of an obligation; or

30 “(b) The holder of an obligation if a trustee was not appointed in the operative document or if

31 the operative document authorizes the holder of an obligation to foreclose the lien of a pledge and

32 enforce the remedies consequent to the pledge in lieu of the trustee.

33 “[5] (4) ‘Property’ means:

34 “(a) Real or personal property, tangible or intangible, whether owned when the pledge is made

35 or acquired subsequently to the time the pledge is made; and

36 “(b) Revenues, contract rights, receivables or securities.”.

37 In line 2, delete “5” and insert “9”.

38 On page 3, line 15, delete “6” and insert “10”.

39 Delete lines 29 through 40 and insert:

40 “**SECTION 11.** (1) **Section 2 of this 2009 Act applies to bonds purchased by a related**

41 **agency or the State Treasurer:**

42 “(a) **On or after the effective date of this 2009 Act; and**

43 “(b) **Before the effective date of this 2009 Act if the related agency or the State Treasurer**

44 **purchased the bonds and the related agency did not elect in writing to cancel or extinguish**

45 **the bonds.**

