

C-Engrossed
House Bill 2414

Ordered by the Senate June 29
Including House Amendments dated March 25 and Senate Amendments
dated June 25 and June 29

Sponsored by Representative NOLAN, Senators MONROE, MORSE; Senators BONAMICI, GEORGE, HASS,
METSGER, MORRISETTE, ROSENBAUM, STARR, VERGER, WALKER

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.

[Modifies requirements for ballot title referred to people by referendum petition.]

Prescribes ballot titles and explanatory statements for House Joint Resolution 7 (2009) and House Joint Resolution 13 (2009).

Directs that certain measures, if referred, be submitted to people at special election.

Directs that any other measure, if referred by referendum petition, be submitted to people at next primary election.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to elections; appropriating money; and declaring an emergency.

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

NOTE: Sections 1 through 3 were deleted by amendment. Subsequent sections were not re-numbered.

SECTION 4. Except as otherwise provided in sections 5 and 6 of this 2009 Act, ORS chapters 250, 251 and 254 apply to an election held on House Joint Resolution 7 (2009) and House Joint Resolution 13 (2009).

SECTION 5. (1) Notwithstanding ORS 250.035, 250.067, 250.075 (2) and 250.085, the ballot title for House Joint Resolution 7 (2009) shall be:

AMENDS CONSTITUTION: EXPANDS AVAILABILITY OF HOME OWNERSHIP LOANS FOR OREGON VETERANS THROUGH OREGON WAR VETERANS' FUND.

RESULT OF "YES" VOTE: "Yes" vote extends home loan program for Oregon veterans to lifetime benefit and increases eligibility for non-combat veterans, National Guard veterans and veterans who served after 9/11.

RESULT OF "NO" VOTE: "No" vote retains current law: Some combat veterans who completed service within past 30 years are eligible for loans; other veterans honorably discharged and some National Guard veterans remain ineligible.

SUMMARY: The Oregon Constitution currently provides that Oregon combat veterans may

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 receive low-interest home loans from the Oregon War Veterans' Fund. Veterans must have
2 received an honorable discharge and must have served for more than 210 consecutive days
3 or been released because of injury or disability. Veterans must apply for loans within 30
4 years after release from service and must show ability to repay the loans. This measure
5 amends the Oregon Constitution to make loans available to more veterans, including Na-
6 tional Guard veterans, others who have honorably served overseas and veterans who have
7 not seen combat. This measure would make low-interest home loans a lifetime benefit and
8 would increase the number of honorably discharged veterans and surviving spouses who are
9 eligible for the low-interest loan program.

11
12 (2) If a petition is filed under section 12 of this 2009 Act challenging the ballot title pro-
13 vided in subsection (1) of this section, the word limits described in ORS 250.035 (2) do not
14 apply for the purposes of judicial review.

15 (3) Notwithstanding ORS 251.205, 251.215, 251.225, 251.230 and 251.235, the explanatory
16 statement to be printed in the voters' pamphlet for House Joint Resolution 7 (2009) shall be:
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18
19 This measure would expand the number of veterans and surviving spouses who are eligible
20 to receive low-interest home loans from the Oregon War Veterans' Fund. In 1944, by legis-
21 lative referral, voters amended the Oregon Constitution to create the 'Oregon War Veterans'
22 Fund' to provide low-interest home loans to some Oregon residents who served in the United
23 States Armed Forces and their surviving spouses.

24
25 The Oregon Constitution currently requires that, to be eligible for a loan from the Oregon
26 War Veterans' Fund, a person must have honorably served in active duty in the Armed
27 Forces of the United States for 210 consecutive days (unless discharged from active duty due
28 to service-related illness or injury) or must have seen combat. The person also must have
29 been honorably discharged or separated from the Armed Forces. The veteran must apply for
30 the loan within 30 years after the veteran was released from active duty. Loans are for pri-
31 mary residences and are made only to those who can show an ability to repay. Surviving
32 spouses of veterans who died, became missing in action or became prisoners of war while in
33 service also are eligible to receive loans under certain conditions.

34
35 Because veterans must apply for loans within 30 years of discharge, many Vietnam-era
36 combat veterans who were honorably discharged are no longer eligible for the loans. Because
37 of the requirement that a veteran serve for 210 consecutive days, many Oregon veterans who
38 served in the military after the terrorist attacks of 9/11 and were honorably discharged are
39 not eligible for the loans.

40
41 This measure would make the loans available to any Oregon veteran who has served under
42 honorable conditions on active duty in the Armed Forces of the United States, as long as the
43 veteran meets certain financial eligibility criteria. The measure uses the same definition of
44 "veteran" as is used in Oregon law. The measure eliminates the constitutional requirement
45 that loans be applied for within 30 years of discharge, making eligibility for a loan a lifetime

1 benefit for veterans, as long as they meet the other qualification criteria. This measure also
2 eliminates the requirement that a veteran serve for 210 continuous days. Under Oregon law,
3 a person would be a “veteran” if the person completed at least 178 consecutive days of ser-
4 vice or saw combat, and received an honorable discharge. This measure also makes the loans
5 available to surviving spouses of veterans, regardless of whether the veteran resided in
6 Oregon, if the deceased veteran meets certain eligibility criteria and the surviving spouse
7 resides in Oregon at the time of application for the loan.

8
9 If this measure were to pass, more Oregon veterans and surviving spouses would be eligible
10 to receive a low-interest home loan through the Oregon War Veterans’ Fund.

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12
13 (4) Unless modified under section 13 of this 2009 Act, the explanatory statement con-
14 tained in this section shall be printed in the voters’ pamphlet.

15 **SECTION 6.** (1) Notwithstanding ORS 250.035, 250.067, 250.075 (2) and 250.085, the ballot
16 title for House Joint Resolution 13 (2009) shall be:

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19 **REVISES CONSTITUTION: ALLOWS STATE TO ISSUE BONDS TO MATCH VOTER AP-
20 PROVED SCHOOL DISTRICT BONDS FOR SCHOOL CAPITAL COSTS.**

21
22 **RESULT OF “YES” VOTE: “Yes” vote allows state to issue bonds to match voter approved
23 school district bonds for school capital costs. Dedicates lottery funds for matching funds and
24 repayment.**

25
26 **RESULT OF “NO” VOTE: “No” vote retains current law prohibiting state and restricting
27 local districts from issuing bonds to pay for school capital costs, including acquisition, con-
28 struction, repair and improvement.**

29
30 **SUMMARY: This measure would revise the Oregon Constitution to allow voters to approve
31 local district bonds for school capital costs and the state to issue bonds and use the revenue
32 from those bonds to help local school districts pay for capital costs. The Constitution cur-
33 rently limits voters’ ability to approve local district bonds for school capital costs and pre-
34 vents the state from issuing bonds to help local districts pay for school capital costs. “Capital
35 costs” include costs for acquisition, construction, repair and improvement, but not routine
36 maintenance or supplies. State funds may be used only to match funds approved by voters
37 in local districts. The measure would dedicate 15 percent of state lottery revenues to a
38 “school capital matching fund” to repay state funds provided to districts. State bonds may
39 not be repaid by raising property taxes. Contains other provisions.**

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41
42 (2) If a petition is filed under section 12 of this 2009 Act challenging the ballot title pro-
43 vided in subsection (1) of this section, the word limits described in ORS 250.035 (2) do not
44 apply for the purposes of judicial review.

45 (3) Notwithstanding ORS 251.205, 251.215, 251.225, 251.230 and 251.235, the explanatory

1 statement to be printed in the voters' pamphlet for House Joint Resolution 13 (2009) shall
2 be:

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4
5 **The Oregon Constitution restricts the state's authority to issue bonds or otherwise incur**
6 **indebtedness. Oregon voters have approved 16 exceptions to this restriction, 14 of which are**
7 **still in effect. The exceptions allow the state to issue bonds for a variety of purposes, in-**
8 **cluding for home ownership loans to veterans, reforestation of state lands, construction of**
9 **buildings for state universities and community colleges, housing for the elderly and disabled,**
10 **pollution controls and seismic rehabilitation of public buildings. However, the restriction in**
11 **the Constitution still prevents the state from issuing bonds or otherwise incurring indebt-**
12 **edness to assist local school districts in financing K-12 capital costs. The Constitution also**
13 **limits the bonding authority of local taxing districts, including school districts.**

14
15 **This measure would revise the Oregon Constitution to allow the state to issue general obli-**
16 **gation bonds to match voter approved bonds for K-12 school capital costs. The measure**
17 **would accomplish this by adding two different provisions to the Constitution. The first new**
18 **provision would allow local taxing districts to incur bonded indebtedness on or after January**
19 **1, 2011, to finance capital costs. Capital costs are defined to include the costs of land and**
20 **other assets associated with acquisition, construction, improvement, remodeling, mainte-**
21 **nance and repair. Capital costs do not include operating costs.**

22
23 **The second new provision would allow the state to issue general obligation bonds to provide**
24 **funds to be granted or loaned to school districts to finance the capital costs of the school**
25 **districts. The proceeds from the bonds could be used only to provide matching funds to fi-**
26 **nance the capital costs of school districts that have received voter approval to issue local**
27 **government bonds. The state bonds may not be used to pay school district operating costs.**
28 **Bonds issued by the state could not be repaid through property taxes.**

29
30 **This new constitutional provision also creates a "school capital matching fund" to pay for**
31 **matching funds to school districts to finance capital costs and debt service on state bonds**
32 **issued pursuant to this measure and repeals the current "school capital matching subac-**
33 **count" in the "education stability fund." Any existing funds in the school capital matching**
34 **subaccount would be transferred to the new school capital matching fund, and that fund also**
35 **would receive 15 percent of net lottery proceeds.**

36
37 **Under the measure, if residents of a local taxing district vote to approve bonds for school**
38 **capital costs, the local taxing district would be eligible to receive matching funds from the**
39 **state. This would allow the state to help pay for K-12 capital costs. The result would sub-**
40 **stantially reduce the costs to the local school district and its taxpayers to make capital im-**
41 **provements, such as constructing, repairing or maintaining school buildings.**

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44 **(4) Unless modified under section 13 of this 2009 Act, the explanatory statement con-**
45 **tained in this section shall be printed in the voters' pamphlet.**

1 **SECTION 7.** (1) Except as provided in section 8 of this 2009 Act, if all or part of any Act
2 of the Seventy-fifth Legislative Assembly is referred to the people by petition under section
3 1 (3)(b), Article IV of the Oregon Constitution, it shall be submitted to the people for their
4 approval or rejection at a special election held throughout this state on the same date as the
5 next primary election.

6 (2) Except as otherwise provided in this section, ORS chapters 250, 251 and 254 apply to
7 an election held on a measure or part of a measure described in this section.

8 (3) Notwithstanding ORS 250.035, 250.067, 250.075 (2) and 250.085, the ballot title for a
9 measure or part of a measure described in this section shall be prepared by the joint legis-
10 lative committee created under section 14 of this 2009 Act and filed with the Secretary of
11 State not later than the date set by the Secretary of State by rule. The word limits described
12 in ORS 250.035 (2) do not apply to a ballot title prepared by the joint legislative committee
13 under this subsection. Unless modified under section 12 of this 2009 Act, the ballot title
14 prepared by the committee under this subsection shall be the ballot title printed in the vot-
15 ers' pamphlet and printed on, or included with, the ballot.

16 (4) Notwithstanding ORS 251.205, 251.215, 251.225, 251.230 and 251.235, the explanatory
17 statement to be printed in the voters' pamphlet for a measure or part of a measure described
18 in this section shall be prepared by the joint legislative committee created under section 14
19 of this 2009 Act and filed with the Secretary of State not later than the date set by the
20 Secretary of State by rule. Unless modified under section 13 of this 2009 Act, the explanatory
21 statement prepared by the committee under this subsection shall be the explanatory state-
22 ment printed in the voters' pamphlet.

23 **SECTION 8.** (1) Except as otherwise provided in sections 8 to 15 of this 2009 Act, ORS
24 chapters 250, 251 and 254 apply to an election held on any part of chapter __, Oregon Laws
25 2009 (Enrolled House Bill 2649), or chapter __, Oregon Laws 2009 (Enrolled House Bill 3405).

26 (2) If any part of chapter __, Oregon Laws 2009 (Enrolled House Bill 2649), or chapter
27 __, Oregon Laws 2009 (Enrolled House Bill 3405), is referred to the people by petition under
28 section 1 (3)(b), Article IV of the Oregon Constitution, it shall be submitted to the people for
29 their approval or rejection at a special election held throughout the state on January 26,
30 2010.

31 (3) If any part of chapter __, Oregon Laws 2009 (Enrolled House Bill 2649), or chapter
32 __, Oregon Laws 2009 (Enrolled House Bill 3405), is referred to the people by petition under
33 section 1 (3)(b), Article IV of the Oregon Constitution, a special election shall be held
34 throughout this state on January 26, 2010, as provided in sections 8 to 15 of this 2009 Act.

35 **SECTION 9.** If any part of chapter __, Oregon Laws 2009 (Enrolled House Bill 2649), or
36 chapter __, Oregon Laws 2009 (Enrolled House Bill 3405), is referred to the people by petition
37 under section 1 (3)(b), Article IV of the Oregon Constitution:

38 (1) Notwithstanding ORS 250.035, 250.067, 250.075 (2) and 250.085, the ballot title for the
39 measure shall be prepared by the joint legislative committee created under section 14 of this
40 2009 Act and filed with the Secretary of State not later than the date set by the Secretary
41 of State by rule. The word limits described in ORS 250.035 (2) do not apply to a ballot title
42 prepared by the joint legislative committee under this subsection. Unless modified under
43 section 12 of this 2009 Act, the ballot title prepared by the committee under this subsection
44 shall be the ballot title printed in the voters' pamphlet and printed on, or included with, the
45 ballot.

1 (2) Notwithstanding ORS 251.205, 251.215, 251.225, 251.230 and 251.235, the explanatory
2 statement to be printed in the voters' pamphlet for the measure shall be prepared by the
3 joint legislative committee created under section 14 of this 2009 Act and filed with the Sec-
4 retary of State not later than the date set by the Secretary of State by rule. Unless modified
5 under section 13 of this 2009 Act, the explanatory statement prepared by the committee un-
6 der this subsection shall be the explanatory statement printed in the voters' pamphlet.

7 (3) The committee may begin preparation of the ballot title or explanatory statement on
8 the date that a prospective petition to refer the measure or any part of the measure is filed
9 with the Secretary of State under ORS 250.045.

10 (4)(a) Arguments relating to the measure may be filed with the Secretary of State under
11 ORS 251.245 and 251.255, except that an argument must be filed not later than the date set
12 by the Secretary of State by rule.

13 (b) Notwithstanding ORS 192.410 to 192.505 relating to public records, an argument filed
14 under this subsection is exempt from public inspection until the fourth business day after
15 the deadline for filing the argument.

16 (5) The financial estimate committee created under ORS 250.125 shall prepare and file
17 with the Secretary of State the estimates described in ORS 250.125 and, if the committee
18 considers it necessary, a statement explaining the financial effects of the measure as de-
19 scribed in ORS 250.125, except that the committee shall prepare and file the estimates or
20 statements not later than the date set by the Secretary of State by rule. The financial esti-
21 mate committee may begin preparation of the estimate or statement on the date that a
22 prospective petition to refer the measure or any part of the measure is filed with the Sec-
23 retary of State under ORS 250.045.

24 (6) Notwithstanding ORS 250.131 (2), the Supreme Court shall conduct a review under
25 ORS 250.131 if a petition is filed not later than the date set by the Secretary of State by rule.

26 **SECTION 10.** (1) The Secretary of State shall cause to be printed in the voters' pamphlet
27 the number, ballot title and text of a measure or part of a measure described in section 8
28 of this 2009 Act and the financial estimate, explanatory statement and arguments relating
29 to the measure or any part of a measure. The Secretary of State shall also cause to be
30 printed in the voters' pamphlet any other material required by law. Notwithstanding ORS
31 251.026, the Secretary of State shall include in the voters' pamphlet the information or
32 statements described in ORS 251.026 that the Secretary of State considers applicable to the
33 election on a measure described in section 8 of this 2009 Act. Notwithstanding ORS 251.285
34 and subject to ORS 251.008, measures referred to in section 8 of this 2009 Act shall be the
35 only measures included in the voters' pamphlet prepared under this section.

36 (2) Not later than the 10th day before the election, the Secretary of State shall cause the
37 voters' pamphlet to be mailed to each post-office mailing address in Oregon and may use any
38 additional means of distribution necessary to make the pamphlet available to electors.

39 (3) In preparing the voters' pamphlet under this section, the Secretary of State is not
40 required to comply with ORS chapter 279B relating to competitive bidding.

41 (4) For purposes of sections 8 to 15 of this 2009 Act, the election referred to in ORS
42 251.295 is the special election held on the date specified in section 8 of this 2009 Act.

43 **SECTION 11.** (1) Notwithstanding the deadline in ORS 254.085, the Secretary of State
44 shall prepare and deliver to each county clerk by the most expeditious means practicable a
45 certified statement of a measure referred to in section 8 of this 2009 Act. The Secretary of

1 State shall include with the statement the number, financial estimate and ballot title of the
2 measure, and any other information required by law. The Secretary of State shall keep a
3 copy of the statement.

4 (2) The county clerks shall print on the ballot the number, financial estimate and ballot
5 title of the measure, along with any other material required by law. In lieu of printing the
6 financial estimate, the summary portion of the ballot title or other material required by law
7 on the ballot, a county clerk may include with the ballot the complete text of the ballot title,
8 the financial estimate and any other material required by law.

9 **SECTION 12.** Notwithstanding ORS 250.085:

10 (1) Any elector dissatisfied with the ballot title for House Joint Resolution 7 (2009), House
11 Joint Resolution 13 (2009) or a measure or part of a measure described in section 7 or 8 of
12 this 2009 Act prepared by the joint legislative committee may petition the Supreme Court
13 seeking a different ballot title. The petition shall state the reasons that the ballot title filed
14 with the Secretary of State does not substantially comply with the requirements of ORS
15 250.035.

16 (2) The petition shall name the Attorney General as the respondent and must be filed:

17 (a) Not later than the fifth business day after the Legislative Assembly files the ballot
18 title with the Secretary of State; or

19 (b) For House Joint Resolution 7 (2009) or House Joint Resolution 13 (2009), not later than
20 the 30th day after the Seventy-fifth Legislative Assembly adjourns sine die.

21 (3) An elector filing a petition under this section shall notify the Secretary of State in
22 writing that the petition has been filed. The notice must be received in the office of the
23 Secretary of State not later than 5 p.m. on the next business day following the day the pe-
24 tition is filed.

25 (4) The Supreme Court shall review the title for substantial compliance with the re-
26 quirements of ORS 250.035.

27 (5) The review by the Supreme Court shall be conducted expeditiously to ensure the or-
28 derly and timely conduct of the election at which the measure is to be submitted to the
29 electors.

30 (6) If the Supreme Court determines that the ballot title prepared by the Legislative As-
31 sembly substantially complies with the requirements of ORS 250.035, the court shall certify
32 the title to the Secretary of State. If the Supreme Court determines that the ballot title
33 prepared by the Legislative Assembly does not substantially comply with the requirements
34 of ORS 250.035, the court shall refer the ballot title to the Attorney General for modification.

35 (7) Not later than five business days after the Supreme Court refers a ballot title to the
36 Attorney General for modification under this section, the Attorney General shall certify a
37 modified ballot title to the Secretary of State.

38 **SECTION 13.** Notwithstanding ORS 251.235:

39 (1) Any person dissatisfied with the explanatory statement for House Joint Resolution 7
40 (2009), House Joint Resolution 13 (2009) or a measure or part of a measure described in sec-
41 tion 7 or 8 of this 2009 Act prepared by the joint legislative committee may petition the Su-
42 preme Court seeking a different statement and stating the reasons the statement filed with
43 the court is insufficient or unclear.

44 (2) The court shall review the statement and certify an explanatory statement to the
45 Secretary of State if the petition is filed and served as required in subsection (4) of this

1 section:

2 (a) Not later than the fifth business day after the Legislative Assembly files the explan-
3 atory statement with the Secretary of State; or

4 (b) For House Joint Resolution 7 (2009) or House Joint Resolution 13 (2009), not later than
5 the 30th day after the Seventy-fifth Legislative Assembly adjourns sine die.

6 (3) Failure to file and serve the petition within the time prescribed in subsection (2) of
7 this section precludes Supreme Court review and certification of an explanatory statement.
8 If the court considers the petition, the court may allow oral argument. The review by the
9 Supreme Court shall be conducted expeditiously to ensure the orderly and timely conduct of
10 the election at which the measure is to be submitted to the electors. The statement certified
11 by the court shall be the explanatory statement printed in the voters' pamphlet.

12 (4) At the time a person petitions the Supreme Court under subsection (1) of this section,
13 the person also shall serve a copy of the petition on:

14 (a) The Attorney General;

15 (b) The Legislative Assembly; and

16 (c) The chief petitioners of the measure.

17 **SECTION 14.** (1) A joint legislative committee consisting of three Senators and three
18 Representatives shall be appointed to prepare the ballot titles and explanatory statements
19 as described in sections 7 and 9 of this 2009 Act.

20 (2)(a) The President of the Senate shall appoint three members from among members of
21 the Senate, two from the majority party and one from the minority party.

22 (b) The Speaker of the House of Representatives shall appoint three members from
23 among members of the House of Representatives, two from the majority party and one from
24 the minority party.

25 **SECTION 15.** The Secretary of State shall adopt rules governing the procedures for con-
26 ducting the election on a measure or any part of a measure described in sections 7 and 9 of
27 this 2009 Act as may be necessary to implement sections 7 to 15 of this 2009 Act.

28 **SECTION 16.** (1) In addition to and not in lieu of any other appropriation, there is ap-
29 propriated to the Emergency Board, for the biennium beginning July 1, 2009, out of the
30 General Fund, the amount of \$2,000,000, to be allocated to the Secretary of State for costs
31 associated with a statewide special election that may be held on January 26, 2010.

32 (2) If any of the moneys appropriated by subsection (1) of this section are not allocated
33 by the Emergency Board prior to December 1, 2010, the moneys remaining on that date be-
34 come available for any purpose for which the Emergency Board lawfully may allocate funds.

35 **SECTION 17.** This 2009 Act being necessary for the immediate preservation of the public
36 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
37 on its passage.

38