

**A-Engrossed**  
**Senate Bill 334**

Ordered by the Senate April 21  
Including Senate Amendments dated April 21

Sponsored by Senator WALKER (Pre-session filed.)

**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.

Authorizes State Treasurer to issue Article XI-D bonds, subject to bond amounts issuance limitation, [*to finance state acquisition and operation of renewable energy electricity generation facilities and transmission facilities*] **for any purpose specified in Article XI-D of Oregon Constitution.** Establishes Article XI-D Bond Fund, Article XI-D Bond Administration Fund and Renewable Energy Fund.

Continuously appropriates moneys from funds.

**A BILL FOR AN ACT**

1  
2 Relating to bonds for electricity; and appropriating money.

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

4 **SECTION 1. Sections 2 to 7 of this 2009 Act are added to and made a part of ORS chapter**  
5 **286A.**

6 **SECTION 2. As used in sections 2 to 7 of this 2009 Act:**

7 (1) **"Article XI-D bonds" means general obligation bonds issued under the authority of**  
8 **Article XI-D of the Oregon Constitution.**

9 (2) **"Bond-related costs" means:**

10 (a) **The costs of paying the principal of, the interest on and the premium, if any, on Ar-**  
11 **icle XI-D bonds;**

12 (b) **The costs and expenses of issuing, administering and maintaining Article XI-D bonds**  
13 **including, but not limited to, redeeming Article XI-D bonds and paying amounts due in con-**  
14 **nection with credit enhancements or the administrative costs and expenses of the State**  
15 **Treasurer, the State Department of Energy and the Oregon Department of Administrative**  
16 **Services, including costs of consultants or advisers retained by the State Treasurer, the**  
17 **State Department of Energy or the Oregon Department of Administrative Services for the**  
18 **purpose of issuing, administering or maintaining Article XI-D bonds;**

19 (c) **Capitalized interest on Article XI-D bonds;**

20 (d) **Costs of funding reserves for Article XI-D bonds, including costs of surety bonds and**  
21 **similar instruments;**

22 (e) **Rebates or penalties due the United States Government in connection with Article**  
23 **XI-D bonds; and**

24 (f) **Other costs or expenses that the Director of the Oregon Department of Administra-**  
25 **tive Services determines are necessary or desirable in connection with issuing, administering**  
26 **or maintaining Article XI-D bonds.**

**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       **SECTION 3.** (1) Article XI-D bonds are a general obligation of the State of Oregon and  
2 must contain a direct promise on behalf of the State of Oregon to pay the principal of, the  
3 interest on and the premium, if any, on the Article XI-D bonds. The State of Oregon shall  
4 pledge its full faith and credit and taxing power to pay Article XI-D bonds, except that the  
5 ad valorem taxing power of the State of Oregon may not be pledged to pay Article XI-D  
6 bonds.

7       (2) In accordance with the applicable provisions of this chapter, the State Treasurer, with  
8 the concurrence of the Director of the Oregon Department of Administrative Services, may  
9 issue Article XI-D bonds:

10       (a) At the request of the Director of the State Department of Energy for any of the  
11 purposes specified in Article XI-D of the Oregon Constitution, plus an amount determined  
12 by the State Treasurer to pay estimated bond-related costs; and

13       (b) Subject to the limit on bond issuance established for the particular biennium in ORS  
14 286A.035.

15       (3) The State Treasurer may issue Article XI-D bonds for the purpose of financing the  
16 refund of Article XI-D bonds.

17       (4) The State Treasurer shall transfer the net proceeds of Article XI-D bonds issued for  
18 the purpose described in subsection (2)(a) of this section to the State Department of Energy  
19 for deposit in the Renewable Energy Fund established under section 6 of this 2009 Act.

20       **SECTION 4.** (1) The Article XI-D Bond Fund is established in the State Treasury, sepa-  
21 rate and distinct from the General Fund. Amounts in the bond fund may be invested as  
22 provided in ORS 293.701 to 293.820, and interest earned on the bond fund must be credited  
23 to the bond fund. Amounts credited to the bond fund are continuously appropriated to the  
24 Oregon Department of Administrative Services for the purpose of paying, when due, the  
25 principal of, the interest on and the premium, if any, on outstanding Article XI-D bonds. The  
26 department shall deposit in the bond fund:

27       (a) Capitalized or accrued interest on Article XI-D bonds;

28       (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit  
29 in the bond fund; and

30       (c) Reserves established for the payment of Article XI-D bonds.

31       (2) The department may create separate accounts in the bond fund for reserves and debt  
32 service for each series of Article XI-D bonds.

33       **SECTION 5.** (1) The Article XI-D Bond Administration Fund is established in the State  
34 Treasury, separate and distinct from the General Fund. Amounts in the bond administration  
35 fund may be invested as provided in ORS 293.701 to 293.820, and interest earned on the bond  
36 administration fund must be credited to the bond administration fund. Amounts credited to  
37 the bond administration fund are continuously appropriated to the Oregon Department of  
38 Administrative Services for payment of bond-related costs. The department shall credit to  
39 the bond administration fund:

40       (a) Proceeds of Article XI-D bonds that were issued to pay bond-related costs;

41       (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit  
42 in the bond administration fund; and

43       (c) Amounts transferred from the Renewable Energy Fund by the State Department of  
44 Energy as provided in section 6 of this 2009 Act.

45       (2) The department may create separate accounts in the bond administration fund.

1       **SECTION 6.** (1) The Renewable Energy Fund is established in the State Treasury, sepa-  
2 rate and distinct from the General Fund. Amounts in the fund may be invested as provided  
3 in ORS 293.701 to 293.820, and interest earned on the fund must be credited to the fund.  
4 Amounts credited to the fund are continuously appropriated to the State Department of  
5 Energy for the purpose described in section 3 (2)(a) of this 2009 Act and for the purpose of  
6 paying bond-related costs. The department shall deposit in the fund:

7       (a) The net proceeds of Article XI-D bonds transferred pursuant to section 3 (4) of this  
8 2009 Act;

9       (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit  
10 in the fund; and

11       (c) Gifts, grants or contributions received by the department for the purpose described  
12 in section 3 (2)(a) of this 2009 Act.

13       (2) The State Department of Energy may create separate accounts in the Renewable  
14 Energy Fund as appropriate for the management of moneys in the fund.

15       (3) The State Department of Energy and any other state agency or other entity receiving  
16 or holding net proceeds of Article XI-D bonds shall, at the direction of the Oregon Depart-  
17 ment of Administrative Services, take action necessary to maintain the excludability of in-  
18 terest on Article XI-D bonds from gross income under the Internal Revenue Code.

19       (4) If at any time the Oregon Department of Administrative Services or the State De-  
20 partment of Energy determines that there are moneys in the Renewable Energy Fund in  
21 excess of the amounts necessary for the purpose described in section 3 (2)(a) of this 2009 Act,  
22 the Oregon Department of Administrative Services or the State Department of Energy may  
23 transfer the excess amounts to the Article XI-D Bond Fund or to the Article XI-D Bond  
24 Administration Fund.

25       (5) The State Department of Energy may adopt rules to carry out this section, including  
26 procedures for distributing and monitoring the use of moneys from the Renewable Energy  
27 Fund.

28       **SECTION 7.** For each biennium in which Article XI-D bonds will be outstanding, the  
29 Oregon Department of Administrative Services shall include in the Governor's budget re-  
30 quest to the Legislative Assembly an amount that, when added to the amount on deposit in  
31 the Article XI-D Bond Fund and the Article XI-D Bond Administration Fund, is sufficient to  
32 pay the bond-related costs that are scheduled to come due in the biennium.