

Enrolled
Senate Bill 334

Sponsored by Senator WALKER (Presession filed.)

CHAPTER

AN ACT

Relating to bonds for electricity; and appropriating money.

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

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

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

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

(2) "Bond-related costs" means:

(a) The costs of paying the principal of, the interest on and the premium, if any, on Article XI-D bonds;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) The State Department of Energy and any other state agency or other entity receiving or holding net proceeds of Article XI-D bonds shall, at the direction of the Oregon Depart-

ment of Administrative Services, take action necessary to maintain the excludability of interest on Article XI-D bonds from gross income under the Internal Revenue Code.

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

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

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

Passed by Senate June 27, 2009

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Secretary of Senate
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President of Senate

Passed by House June 29, 2009

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Speaker of House

Received by Governor:

.....M.,....., 2009

Approved:

.....M.,....., 2009

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2009

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Secretary of State