

Enrolled
Senate Bill 496

Sponsored by COMMITTEE ON FINANCE AND REVENUE

CHAPTER

AN ACT

Relating to the Oregon Growth Account; creating new provisions; amending ORS 284.725, 293.761, 348.696, 348.716 and 348.702; and declaring an emergency.

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

SECTION 1. ORS 348.702 is amended to read:

348.702. (1) There is created within the Education Stability Fund the Oregon Growth Account, to which shall be credited, in the manner provided in subsection (2) of this section, [10] **five** percent of the funds transferred under section 4, Article XV of the Oregon Constitution, from the Administrative Services Economic Development Fund to the Education Stability Fund. Separate records shall be maintained for moneys in the Oregon Growth Account that are available for the purposes specified in subsection (5) of this section. The account may be credited with unrestricted appropriations, gifts, donations, grants or contract proceeds from any source, with investments or funds from any source and with returns on investments made from the account.

(2) The Oregon Department of Administrative Services may credit to the Oregon Growth Account from the first funds transferred in a fiscal year to the Education Stability Fund under section 4, Article XV of the Oregon Constitution, an amount up to the amount the department estimates to be [10] **five** percent of the funds required to be transferred to the Education Stability Fund for that fiscal year.

(3) If at the end of the fiscal year the amount credited to the Oregon Growth Account under subsection (2) of this section is less than or greater than [10] **five** percent of the amount required to be transferred under section 4, Article XV of the Oregon Constitution, to the Education Stability Fund, the amount credited to the Oregon Growth Account shall be adjusted in one of the following ways:

- (a) The amount credited to the account in the following fiscal year may be adjusted;
- (b) Any excess may be transferred from the Oregon Growth Account to the Education Stability Fund; or
- (c) Any shortage may be transferred from the Education Stability Fund to the Oregon Growth Account from funds available for that purpose.

(4) Adjustments required by subsection (3) of this section shall be made without consideration of any interest or other earnings that have accrued during the fiscal year.

(5) The purpose of the Oregon Growth Account is to earn returns for the Education Stability Fund by making investments in or by providing seed capital for emerging growth businesses.

(6) The investment of funds in the Oregon Growth Account shall be governed by the Oregon Growth Account Board.

SECTION 2. ORS 348.702, as amended by section 1 of this 2009 Act, is amended to read:

348.702. (1) There is created within the Education Stability Fund the Oregon Growth Account, to which shall be credited, in the manner provided in subsection (2) of this section, *[five]* **10** percent of the funds transferred under section 4, Article XV of the Oregon Constitution, from the Administrative Services Economic Development Fund to the Education Stability Fund. Separate records shall be maintained for moneys in the Oregon Growth Account that are available for the purposes specified in subsection (5) of this section. The account may be credited with unrestricted appropriations, gifts, donations, grants or contract proceeds from any source, with investments or funds from any source and with returns on investments made from the account.

(2) The Oregon Department of Administrative Services may credit to the Oregon Growth Account from the first funds transferred in a fiscal year to the Education Stability Fund under section 4, Article XV of the Oregon Constitution, an amount up to the amount the department estimates to be *[five]* **10** percent of the funds required to be transferred to the Education Stability Fund for that fiscal year.

(3) If at the end of the fiscal year the amount credited to the Oregon Growth Account under subsection (2) of this section is less than or greater than *[five]* **10** percent of the amount required to be transferred under section 4, Article XV of the Oregon Constitution, to the Education Stability Fund, the amount credited to the Oregon Growth Account shall be adjusted in one of the following ways:

(a) The amount credited to the account in the following fiscal year may be adjusted;

(b) Any excess may be transferred from the Oregon Growth Account to the Education Stability Fund; or

(c) Any shortage may be transferred from the Education Stability Fund to the Oregon Growth Account from funds available for that purpose.

(4) Adjustments required by subsection (3) of this section shall be made without consideration of any interest or other earnings that have accrued during the fiscal year.

(5) The purpose of the Oregon Growth Account is to earn returns for the Education Stability Fund by making investments in or by providing seed capital for emerging growth businesses.

(6) The investment of funds in the Oregon Growth Account shall be governed by the Oregon Growth Account Board.

SECTION 3. ORS 348.696 is amended to read:

348.696. Pursuant to section 4 (4)(d), Article XV of the Oregon Constitution, the Education Stability Fund is established separate and distinct from the General Fund. Except for earnings on moneys in the school capital matching subaccount, moneys in the fund shall be invested as provided in ORS 293.701 to 293.790. All declared earnings on moneys in the fund shall be transferred and are appropriated continuously as follows:

[(1) All declared earnings from the Oregon Growth Account to the Oregon Commercialized Research Fund created in ORS 284.725;]

[(2)] (1) 75 percent [of all declared earnings not described in subsection (1) of this section] to the Oregon Education Fund established by ORS 348.716; and

[(3)] (2) 25 percent [of all declared earnings not described in subsection (1) of this section] to the Oregon Student Assistance Commission for the Oregon Opportunity Grant program under ORS 348.260.

SECTION 4. ORS 284.725 is amended to read:

284.725. *[(1)]* There is created within the State Treasury, separate and distinct from the General Fund, the Oregon Commercialized Research Fund. Interest earned by the Oregon Commercialized Research Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Innovation Council for the purpose of making grants and loans under ORS 284.735. **The council may accept moneys from any source for deposit in the fund.**

[(2) Any moneys received from the Education Stability Fund for deposit in the Oregon Commercialized Research Fund pursuant to ORS 348.696 shall be placed in a separate account within the Oregon Commercialized Research Fund and may be used by the council only for public education.]

SECTION 5. ORS 293.761 is amended to read:

293.761. The investment officer shall report quarterly to the officer or body having control and administration of each fund included in the investment funds the changes in investments made during the preceding month for the fund. If requested by the officer or body, the investment officer shall furnish to the officer or body the details on the investment transactions for any fund. The investment officer shall separately identify investments held in the Oregon Growth Account established in ORS 348.702[,] **and** the Oregon Resource and Technology Development Subaccount established in ORS 348.706 [*and the Oregon Commercialized Research Fund created in ORS 284.725*] as part of the report on the Education Stability Fund required by this section.

SECTION 6. ORS 348.716 is amended to read:

348.716. The Oregon Education Fund is established in the State Treasury, separate and distinct from the General Fund. Moneys in the Oregon Education Fund are continuously appropriated to the Oregon Department of Administrative Services for public education and education lottery bond debt service. Seventy-five percent of the declared earnings of the Education Stability Fund as described in ORS 348.696 [(2)] shall be transferred monthly to the Oregon Education Fund as directed by the Director of the Oregon Department of Administrative Services. Investment earnings on amounts in the Oregon Education Fund shall be credited to the Oregon Education Fund. The Legislative Assembly may, but shall be under no legal obligation to, allocate and appropriate amounts in the Oregon Education Fund to pay education lottery bonds. The Director of the Oregon Department of Administrative Services may specify when during any fiscal year amounts shall be transferred from the Oregon Education Fund to be used for public education or education lottery bonds.

SECTION 7. The amendments to ORS 348.702 by section 2 of this 2009 Act become operative on July 1, 2013.

SECTION 8. Prior to February 1, 2011, the Oregon Growth Account Board shall submit a report to the Seventy-sixth Legislative Assembly. The report shall:

- (1) Summarize the performance of the Oregon Growth Account from its inception to the date of the report;
- (2) Recommend whether the reduction in the diversion of funds made by ORS 348.702, as amended by section 1 of this 2009 Act, should be continued or the funds restored, in whole or in part, on July 1, 2013; and
- (3) Describe the expected benefits of restoring all or a part of the funds diverted by ORS 348.702, as amended by section 1 of this 2009 Act.

SECTION 9. This 2009 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect July 1, 2009.

Passed by Senate April 6, 2009

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Secretary of Senate

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President of Senate

Passed by House June 16, 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