A-Engrossed House Bill 3643

Ordered by the House February 22 Including House Amendments dated February 22

Sponsored by Representative COWAN; Representative GELSER (Presession 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.

Limits for six-year period beginning July 1, 2009, payment of expenses from bond proceeds and other revenues, including federal funds, collected or received by Oregon University System for construction of Marine Mammal and Genomics Building by Oregon State University at Hatfield Marine Science Center.

Establishes account related to issuance of general obligation bonds under Article XI-G of Oregon Constitution.

Specifies that capital construction provisions become operative if Oregon State University receives federal grant [*in specified amount*] from National Institute of Standards and Technology for building construction.

Becomes operative on day after date Legislative Counsel and Legislative Fiscal Officer receive notice from Oregon Department of Administrative Services of award of federal grant.

Declares emergency, effective on passage.

A BILL FOR AN ACT

- Relating to state financial administration; creating new provisions; amending section 2, chapter 788,
 Oregon Laws 2005, and sections 6, 8, 9, 10, 13, 19 and 20, chapter 904, Oregon Laws 2009; repealing section 15, chapter 904, Oregon Laws 2009; appropriating money; and declaring an
- 5 emergency.

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

7 SECTION 1. Section 6, chapter 904, Oregon Laws 2009, is amended to read:

8 Sec. 6. Notwithstanding any other law limiting expenditures, the following amounts are estab-9 lished for a six-year period beginning July 1, 2009, as the maximum limit for payment of expenses 10 under this section from bond proceeds and other revenues, including federal funds, collected or re-11 ceived by the [*Department of Higher Education*] **Oregon University System**, for the acquisition of 12 land, improvements to land and the acquisition, planning, constructing, altering, repairing, furnish-13 ing and equipping of buildings, facilities and other projects within the [*Department of Higher Edu-*14 *cation*] **Oregon University System**:

16						
17						Other
18						Revenues
19	Article	Article				(including
20	XI-G	XI-F(1)	Lottery	Energy		Federal
21	Bonds	Bonds	Bonds	Loans	COPs	Funds)
22						

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	(1) Oregon University						
2	System						
3	(a) Capital renewal, code						
4	compliance and safety	\$ -	\$ -	\$ -	\$ - \$	\$ 20,286,000	\$ -
5	(b) South Waterfront Life						
6	Sciences Facility	50,000,000	60,000,000	-	-	-	90,000,000
7	(c) Oregon Center for						
8	Sustainability	-	80,000,000	-	-	-	-
9	[(d) Biofuels demonstration						
10	project	4,000,000	-	-	-	-	4,000,000]
11	[(e)] (d) Wind demonstration						
12	project	-	-	-	-	-	4,000,000
13	(2) Eastern Oregon						
14	University						
15	(a) Zabel Hall						
16	deferred maintenance	1,522,000	-	2,215,000	2,706,000	-	-
17	(b) Pierce Library						
18	project	4,000,000	-	-	-	4,000,000	-
19	(3) Oregon Institute of						
20	Technology geothermal						
21	renewable energy						
22	demonstration project	2,000,000	2,000,000	-	-	-	2,600,000
23	(4) Oregon State						
24	University						
25	(a) Education Hall						
26	additional structural						
27	deficiencies deferred						
28	maintenance	-	-	4,000,000	-	-	-
29	[(b) Strand Agriculture						
30	Hall deferred						
31	maintenance	6,586,000	-	6,586,000	6,851,000	4,847,000	-]
32	(b) Strand Agriculture						
33	Hall deferred						
34	maintenance	2,586,000	-	6,586,000	6,851,000	4,847,000	-
35	[(c) Bates Hall/Hallie Ford						
36	Healthy Children and						
37	Families Center	6,000,000	-	-	-	-	6,000,000]
38	(c) Bates Hall/Hallie Ford						
39	Healthy Children and						
40	Families Center	5,000,000	-	-	-	-	5,000,000
41	(d) Student Success						
42	Center	2,054,000	-	4,554,000	-	-	7,392,000
43	(e) Cultural Center	-	10,000,000	-	-	-	-
44	(f) International Residence						
45	Hall	-	52,000,000	-	-	-	-

1	(g) Sports Performance						
2	Center	-	12,000,000	-	-	-	-
3	(h) CH2M Hill Alumni		, ,				
4	Center	-	-	-	-	-	4,200,000
5	(i) Sonpark/EPA acquisition,						, ,
6	OF COPs	-	-	-	-	1,900,000	-
7	(j) Warehouse acquisition,						
8	OF COPs	-	-	-	-	1,000,000	-
9	(k) Marine Mammal and						
10	Genomics Building	9,000,000	-	-	-	-	16,049,153
11	(5) Portland State						
12	University						
13	(a) Science Research and						
14	Teaching Center/ Hazardous						
15	Waste Facility, phase 2	2,500,000	-	-	-	-	2,500,000
16	(b) City Tower acquisition	-	-	-	-	1	-
17	(c) Market Center						
18	acquisition	-	-	-	-	1	-
19	(d) Land acquisition	-	8,000,000	-	-	-	-
20	(6) Southern Oregon						
21	University						
22	(a) Churchill Hall						
23	deferred maintenance	-	-	-	2,730,000	3,192,000	-
24	(b) Theatre Arts building						
25	expansion and remodel	5,500,000	-	-	-	-	5,500,000
26	(7) University of Oregon						
27	(a) Allen Hall expansion						
28	and remodel	7,500,000	-	-	-	-	7,500,000
29	(b) Straub Memorial Hall						
30	deferred maintenance	-	-	-	8,998,000	4,321,000	-
31	(c) Power Station, phase 2,						
32	waste gasification						
33	demonstration project	-	29,150,000	5,000,000	13,502,000	3,663,000	5,000,000
34	(d) Erb Memorial Union,						
35	partial renovation,						
36	West Lower Level	-	2,260,000	-	-	-	300,000
37	(e) Chiles Center						
38	renovations	-	-	-	-	-	1,000,000
39	(f) Alumni Center Project	-	9,975,000	-	-	-	6,825,000
40	(g) Riverfront Research						
41	Park, Technology						
42	Business Incubator	-	-	-	-	-	1,500,000
43	(h) Barnhart Hall building						
44	envelope restoration	-	-	-	-	-	900,000
45	(i) Carson Hall electrical						

1	upgrade	-	-	-	-	-	560,000
2	(j) Earl Complex building						
3	envelope, electrical and						
4	mechanical systems	-	2,924,000	-	-	-	-
5	[(8) Reserves	-	8,508,470	-	-	-	5,356,710]
6	(8) Reserves	-	8,508,470	-	-	-	5,838,185
7	(9) Commercial paper						
8	capitalized interest						
9	pilot project	-	5,000,000	-	-	-	-
10							

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SECTION 2. Section 8, chapter 904, Oregon Laws 2009, is amended to read:

13 Sec. 8. (1) Except as provided in subsection (2) of this section, notwithstanding any other provision of [this 2009 Act,] chapter 904, Oregon Laws 2009, the bond proceeds and other revenues, 14 15 including federal funds, the expenditures from which are limited by section 6 [of this 2009 Act], chapter 904, Oregon Laws 2009, are not available for expenditure before [the effective date of this 16 2009 Act] August 4, 2009. However, any action taken by the State Board of Higher Education prior 17 18 to [the effective date of this 2009 Act] August 4, 2009, or any contract entered into by the board prior 19 to [the effective date of this 2009 Act] August 4, 2009, necessary for the acquisition of and improve-20ments to land and the acquisition, planning, constructing, altering, repairing, furnishing and equipping of buildings and facilities authorized by [this 2009 Act] chapter 904, Oregon Laws 2009, is 2122hereby authorized.

23(2) Notwithstanding any other provision of chapter 904, Oregon Laws 2009, or this 2010 Act, the bond proceeds and other revenues, including federal funds, the expenditures from 2425which are limited by section 6 (4)(k), chapter 904, Oregon Laws 2009, are not available for expenditure before the operative date specified in section 11 of this 2010 Act. However, any 2627action taken by the State Board of Higher Education prior to the operative date specified in section 11 of this 2010 Act or any contract entered into by the board prior to the operative 28date specified in section 11 of this 2010 Act that is necessary for the acquisition of and im-2930 provements to land and the acquisition, planning, constructing, altering, repairing, furnish-31 ing and equipping of buildings and facilities authorized by section 6 (4)(k), chapter 904, Oregon Laws 2009, is hereby authorized. 32

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SECTION 3. Section 9, chapter 904, Oregon Laws 2009, is amended to read:

Sec. 9. (1) **Except as provided in subsection (3) of this section,** the project approvals and expenditure limitations in [*this 2009 Act*] **chapter 904, Oregon Laws 2009**, and the expenditure limitations established by the Emergency Board during the biennium beginning July 1, 2009, for capital construction or acquisition projects of the Oregon University System and of the Department of Community Colleges and Workforce Development for community colleges, expire on June 30, 2015, unless otherwise noted or unless changed by the Legislative Assembly.

(2) The project approvals and expenditure limitations established by section 2 (5)(b), (e) and (i),
chapter 725, Oregon Laws 2003, and section 2 (3)(h), chapter 845, Oregon Laws 2001, for capital
construction or acquisition projects of the Oregon University System expire on June 30, 2011, unless
otherwise changed by Legislative Assembly.

(3) The project approvals and expenditure limitations in section 6 (4)(b), (c) and (k),
 chapter 904, Oregon Laws 2009, and the expenditure limitations established by the Emergency

1 Board during the biennium beginning July 1, 2009, for capital construction or acquisition

2 projects of the Oregon University System described in section 6 (4)(b), (c) and (k), chapter

3 904, Oregon Laws 2009, expire on June 30, 2015, unless otherwise noted or unless changed by

- 4 the Legislative Assembly.
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SECTION 4. Section 10, chapter 904, Oregon Laws 2009, is amended to read:

Sec. 10. (1) Pursuant to Article XI-G of the Oregon Constitution and ORS 351.345 and ORS 6 chapter 286A, the State Board of Higher Education may sell, with the approval of the State Treas-7 urer, general obligation bonds of the State of Oregon of the kind and character and within the limits 8 9 prescribed by Article XI-G of the Oregon Constitution, as the board determines, but in no event may the board sell more than the aggregate principal sum of \$144,900,479 par value for the biennium 10 beginning July 1, 2009. The moneys realized from the sale of the bonds shall be appropriated and 11 12 may be expended for the purposes set forth in section 2 (3)(h), chapter 845, Oregon Laws 2001, sec-13 tion 2 (6)(h) and (p), chapter 787, Oregon Laws 2005, section 2 (2)(b), (4)(k), (5)(f) and (h)[,] and (6)(g) and (h), chapter 761, Oregon Laws 2007, section 6 (1)(b) [and (d)], (2)(a) and (b), (3), [(4)(b), (c) and 14 15 (d)] (4)(b), (c), (d) and (k), (5)(a), (6)(b) and (7)(a) [of this 2009 Act], chapter 904, Oregon Laws 16 **2009**, and for payment for capitalized interest and costs incidental to issuance of the bonds.

(2) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
Constitution in section 6 (1)(b) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with
the General Fund appropriation made under section 14 [of this 2009 Act], chapter 904, Oregon
Laws 2009.

[(3) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 6 (1)(d) of this 2009 Act are matched with the General Fund appropriation made under section 15 of this 2009 Act.]

[(4)] (3) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 6 (2)(a) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with the General Fund appropriation made under section 16 [of this 2009 Act], chapter 904, Oregon Laws 2009.

[(5)] (4) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 6 (2)(b) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with the General Fund appropriation made under section 17 [of this 2009 Act], chapter 904, Oregon Laws 2009.

[(6)] (5) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 Constitution in section 6 (3) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with
 the General Fund appropriation made under section 18 [of this 2009 Act], chapter 904, Oregon
 Laws 2009.

[(7)] (6) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 6 (4)(b) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with the General Fund appropriation made under section 19 [of this 2009 Act], chapter 904, Oregon Laws 2009.

[5]

[(8)] (7) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 6 (4)(c) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with the General Fund appropriation made under section 20 [of this 2009 Act], chapter 904, Oregon Laws 2009.

6 [(9)] (8) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds 7 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon 8 Constitution in section 6 (4)(d) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with 9 the General Fund appropriation made under section 21 [of this 2009 Act], chapter 904, Oregon 10 Laws 2009.

(9) In compliance with the requirements of Article XI-G of the Oregon Constitution,
funds available under the expenditure limitation for bonds issued pursuant to Article XI-G
of the Oregon Constitution in section 6 (4)(k), chapter 904, Oregon Laws 2009, are matched
with the General Fund appropriation made under section 7 of this 2010 Act.

(10) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 6 (5)(a) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with the General Fund appropriation made under section 22 [of this 2009 Act], chapter 904, Oregon Laws 2009.

(11) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
Constitution in section 6 (6)(b) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with
the General Fund appropriation made under section 23 [of this 2009 Act], chapter 904, Oregon
Laws 2009.

(12) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
Constitution in section 6 (7)(a) [of this 2009 Act], chapter 904, Oregon Laws 2009, are matched with
the General Fund appropriation made under section 24 [of this 2009 Act], chapter 904, Oregon
Laws 2009.

30 SECTION 5. Section 13, chapter 904, Oregon Laws 2009, is amended to read:

Sec. 13. Notwithstanding ORS 351.345 and section 6 [of this 2009 Act], chapter 904, Oregon Laws 2009, the State Board of Higher Education may issue bonds for a project listed in section 6 (1)(b) [and (d)], (2), (3), (4)(b), (c), [and] (d) and (k), (5)(a), (6)(b) and (7)(a) [of this 2009 Act], chapter 904, Oregon Laws 2009:

(1) If the total amount from other revenues, including federal funds, identified for the project in
the expenditure limitation in section 6 [of this 2009 Act], chapter 904, Oregon Laws 2009, has been
received by the State Board of Higher Education; or

(2) After reporting to the Emergency Board or the Joint Committee on Ways and Means, if the
total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 6 [of this 2009 Act], chapter 904, Oregon Laws 2009, has not been received by the State Board of Higher Education.

42 **SECTION 6.** Section 2, chapter 788, Oregon Laws 2005, as amended by section 2, chapter 746, 43 Oregon Laws 2007, section 149, chapter 783, Oregon Laws 2007, and sections 2 and 2a, chapter 906, 44 Oregon Laws 2009, is amended to read:

45 Sec. 2. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of

1 Administrative Services, after the department consults with the Oregon University System, the State

2 Treasurer is authorized to issue lottery bonds for capital construction, deferred maintenance and 3 capital renewal, code compliance and safety projects.

3 capital renewal, code compliance and salety projects.

4 (2) The use of lottery bond proceeds is authorized based on the following findings:

5 (a) New buildings and facilities are needed in order that universities have adequate facilities for 6 teaching.

7 (b) Having adequate university buildings and facilities is essential to Oregon's healthy economic8 growth.

9 (c) Major subsystems within university buildings are wearing out and must be replaced in order 10 that universities have adequate facilities for teaching.

(d) Having safe and fully functioning university facilities is essential to Oregon's healthy eco-nomic growth.

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this
 section by the State Treasurer for:

(a) Capital construction may not exceed the amount of \$9,554,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS
286A.560.

(b) Deferred maintenance and capital renewal, code compliance and safety projects may not exceed the amount of \$82,231,000 and an additional amount estimated by the State Treasurer to be
necessary to pay bond-related costs as defined in ORS 286.560.

(4) Of the \$22,355,000 of net proceeds of lottery bonds issued pursuant to this section for the
biennium beginning July 1, 2009, an amount not to exceed:

(a) [\$14,247,000] \$18,247,000 shall be deposited in the Oregon University System Capital Con struction, Deferred Maintenance and Capital Repair Project Fund established by section 3, chapter
 788, Oregon Laws 2005.

(b) \$1,522,000 shall be deposited in the Eastern Oregon University Zabel Hall Deferred Mainte nance Project Account established by section 16, chapter 904, Oregon Laws 2009.

(c) [\$6,586,000] \$2,586,000 shall be deposited in the Oregon State University Strand Agriculture
Hall Deferred Maintenance Project Account established by section 19, chapter 904, Oregon Laws
2009.

SECTION 7. (1) There is established in the General Fund an account to be known as the Oregon State University Marine Mammal Institute and Marine Genomics Program Account. Funds in the account shall be used for the construction, remodeling, expansion and renovation of facilities for a facility project at Oregon State University Hatfield Marine Science Center.

(2) The account shall consist of proceeds from grant funds, gift funds and federal and
local government funds made available to the Oregon University System for the purpose of
the facility project described in subsection (1) of this section. Interest earned on moneys in
the account shall be credited to the account. The account may not be credited with more
than \$9,000,000 for purposes of this subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes
of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to
the Oregon University System and may be transferred to the Department of Higher Education Capital Construction Fund for the facility project described in subsection (1) of this
section.

1 SECTION 8. Section 19, chapter 904, Oregon Laws 2009, is amended to read:

Sec. 19. (1) There is established in the General Fund an account to be known as the Oregon State University Strand Agriculture Hall Deferred Maintenance Project Account. Funds in the account shall be used for the construction, remodeling, expansion and renovation of facilities for a facility project at Oregon State University.

6 (2) The account shall consist of proceeds from lottery bonds made available to the [Department 7 of Higher Education] **Oregon University System** for the purpose of the facility project described 8 in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the 9 account. The account may not be credited with more than [\$6,586,000] **\$2,586,000** for purposes of this 10 subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the [Department of Higher Education] Oregon University System and may be transferred to the [Department of Higher Education Capital Construction Fund] account designated by ORS 351.626 for the facility project described in subsection (1) of this section.

SECTION 9. Section 20, chapter 904, Oregon Laws 2009, is amended to read:

17 Sec. 20. (1) There is established in the General Fund an account to be known as the Oregon 18 State University Bates Hall/Hallie Ford Healthy Children and Families Center Project Account. 19 Funds in the account shall be used for the construction, remodeling, expansion and renovation of 20 facilities for a facility project at Oregon State University.

(2) The account shall consist of proceeds from grant funds, gift funds and federal and local
government funds made available to the [Department of Higher Education] Oregon University System for the purpose of the facility project described in subsection (1) of this section. Interest earned
on moneys in the account shall be credited to the account. The account may not be credited with
more than [\$6,000,000] \$5,000,000 for purposes of this subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the [Department
of Higher Education] Oregon University System and may be transferred to the [Department of
Higher Education Capital Construction Fund] account designated by ORS 351.626 for the facility
project described in subsection (1) of this section.

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SECTION 10. Section 15, chapter 904, Oregon Laws 2009, is repealed.

SECTION 11. (1) Section 7 of this 2010 Act, the amendments to section 2, chapter 788, 32Oregon Laws 2005, and sections 6, 8, 9, 10, 13, 19 and 20, chapter 904, Oregon Laws 2009, by 33 34 sections 1 to 6, 8 and 9 of this 2010 Act and the repeal of section 15, chapter 904, Oregon Laws 2009, by section 10 of this 2010 Act become operative on the day after the date that the 35 Legislative Counsel and the Legislative Fiscal Officer receive notice from the Oregon De-36 37 partment of Administrative Services of the award of a federal grant from the National In-38 stitute of Standards and Technology to Oregon State University for the purpose of constructing a Marine Mammal and Genomics Building at the Oregon State University 39 Hatfield Marine Science Center. 40

(2) The Oregon University System shall notify the Oregon Department of Administrative
 Services immediately upon receiving notice of award of the federal grant. The department
 shall notify the Legislative Counsel and the Legislative Fiscal Officer immediately upon re ceiving notice from the Oregon University System.

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SECTION 12. This 2010 Act being necessary for the immediate preservation of the public

1 peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect

- 2 on its passage.
- 3