

Enrolled

House Bill 3643

Sponsored by Representative COWAN; Representative GELSER (Pre-session filed.)

CHAPTER

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 emergency.

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

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

Sec. 6. Notwithstanding any other law limiting expenditures, the following amounts are established for a six-year period beginning July 1, 2009, as the maximum limit for payment of expenses under this section from bond proceeds and other revenues, including federal funds, collected or received by the [*Department of Higher Education*] **Oregon University System**, for the acquisition of land, improvements to land and the acquisition, planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and other projects within the [*Department of Higher Education*] **Oregon University System**:

| | Article XI-G Bonds | Article XI-F(1) Bonds | Lottery Bonds | Energy Loans | COPs | Other Revenues (including Federal Funds) |
|---|--------------------------|-----------------------------|------------------|-----------------|---------------|--|
| (1) Oregon University System | | | | | | |
| (a) Capital renewal, code compliance and safety | \$ - | \$ - | \$ - | \$ - | \$ 20,286,000 | \$ - |
| (b) South Waterfront Life Sciences Facility | 50,000,000 | 60,000,000 | - | - | - | 90,000,000 |
| (c) Oregon Center for Sustainability | - | 80,000,000 | - | - | - | - |
| [(d) <i>Biofuels demonstration project</i>] | 4,000,000 | - | - | - | - | 4,000,000 |
| [(e)] (d) Wind demonstration project | - | - | - | - | - | 4,000,000 |
| (2) Eastern Oregon | | | | | | |

| | | | | | | | |
|------------------------------------|------------------|------------|------------------|------------------|------------------|---|-------------------|
| University | | | | | | | |
| (a) Zabel Hall | | | | | | | |
| deferred maintenance | 1,522,000 | - | 2,215,000 | 2,706,000 | - | - | - |
| (b) Pierce Library | | | | | | | |
| project | 4,000,000 | - | - | - | 4,000,000 | - | - |
| (3) Oregon Institute of | | | | | | | |
| Technology geothermal | | | | | | | |
| renewable energy | | | | | | | |
| demonstration project | 2,000,000 | 2,000,000 | - | - | - | - | 2,600,000 |
| (4) Oregon State | | | | | | | |
| University | | | | | | | |
| (a) Education Hall | | | | | | | |
| additional structural | | | | | | | |
| deficiencies deferred | | | | | | | |
| maintenance | - | - | 4,000,000 | - | - | - | - |
| <i>[(b) Strand Agriculture</i> | | | | | | | |
| <i>Hall deferred</i> | | | | | | | |
| <i>maintenance</i> | 6,586,000 | - | 6,586,000 | 6,851,000 | 4,847,000 | - | -] |
| (b) Strand Agriculture | | | | | | | |
| Hall deferred | | | | | | | |
| maintenance | 2,586,000 | - | 6,586,000 | 6,851,000 | 4,847,000 | - | - |
| <i>[(c) Bates Hall/Hallie Ford</i> | | | | | | | |
| <i>Healthy Children and</i> | | | | | | | |
| <i>Families Center</i> | 6,000,000 | - | - | - | - | - | 6,000,000] |
| (c) Bates Hall/Hallie Ford | | | | | | | |
| Healthy Children and | | | | | | | |
| Families Center | 5,000,000 | - | - | - | - | - | 5,000,000 |
| (d) Student Success | | | | | | | |
| Center | 2,054,000 | - | 4,554,000 | - | - | - | 7,392,000 |
| (e) Cultural Center | - | 10,000,000 | - | - | - | - | - |
| (f) International Residence | | | | | | | |
| Hall | - | 52,000,000 | - | - | - | - | - |
| (g) Sports Performance | | | | | | | |
| Center | - | 12,000,000 | - | - | - | - | - |
| (h) CH2M Hill Alumni | | | | | | | |
| Center | - | - | - | - | - | - | 4,200,000 |
| (i) Sonpark/EPA acquisition, | | | | | | | |
| OF COPs | - | - | - | - | 1,900,000 | - | - |
| (j) Warehouse acquisition, | | | | | | | |
| OF COPs | - | - | - | - | 1,000,000 | - | - |
| (k) Marine Mammal and | | | | | | | |
| Genomics Building | 9,000,000 | - | - | - | - | - | 16,049,153 |
| (5) Portland State | | | | | | | |
| University | | | | | | | |
| (a) Science Research and | | | | | | | |
| Teaching Center/ Hazardous | | | | | | | |
| Waste Facility, phase 2 | 2,500,000 | - | - | - | - | - | 2,500,000 |
| (b) City Tower acquisition | - | - | - | - | 1 | - | - |
| (c) Market Center | | | | | | | |
| acquisition | - | - | - | - | 1 | - | - |
| (d) Land acquisition | - | 8,000,000 | - | - | - | - | - |
| (6) Southern Oregon | | | | | | | |

| | | | | | | |
|---|-----------|------------------|-----------|------------|-----------|------------------|
| University | | | | | | |
| (a) Churchill Hall deferred maintenance | - | - | - | 2,730,000 | 3,192,000 | - |
| (b) Theatre Arts building expansion and remodel | 5,500,000 | - | - | - | - | 5,500,000 |
| (7) University of Oregon | | | | | | |
| (a) Allen Hall expansion and remodel | 7,500,000 | - | - | - | - | 7,500,000 |
| (b) Straub Memorial Hall deferred maintenance | - | - | - | 8,998,000 | 4,321,000 | - |
| (c) Power Station, phase 2, waste gasification demonstration project | - | 29,150,000 | 5,000,000 | 13,502,000 | 3,663,000 | 5,000,000 |
| (d) Erb Memorial Union, partial renovation, West Lower Level | - | 2,260,000 | - | - | - | 300,000 |
| (e) Chiles Center renovations | - | - | - | - | - | 1,000,000 |
| (f) Alumni Center Project | - | 9,975,000 | - | - | - | 6,825,000 |
| (g) Riverfront Research Park, Technology Business Incubator | - | - | - | - | - | 1,500,000 |
| (h) Barnhart Hall building envelope restoration | - | - | - | - | - | 900,000 |
| (i) Carson Hall electrical upgrade | - | - | - | - | - | 560,000 |
| (j) Earl Complex building envelope, electrical and mechanical systems | - | 2,924,000 | - | - | - | - |
| [(8) Reserves | - | 8,508,470 | - | - | - | 5,356,710] |
| (8) Reserves | - | 8,508,470 | - | - | - | 5,838,185 |
| (9) Commercial paper capitalized interest pilot project | - | 5,000,000 | - | - | - | - |

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

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, 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 2009 Act*] **August 4, 2009.** However, any action taken by the State Board of Higher Education prior to [*the effective date of this 2009 Act*] **August 4, 2009,** or any contract entered into by the board prior to [*the effective date of this 2009 Act*] **August 4, 2009,** necessary for the acquisition of and improvements 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 hereby authorized.

(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 which 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 action 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 date specified in section 11 of this 2010 Act that is necessary for the acquisition of and improvements to land and the acquisition, planning, constructing, altering, repairing, furnishing and equipping of buildings and facilities authorized by section 6 (4)(k), chapter 904, Oregon Laws 2009, is hereby authorized.

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 Board during the biennium beginning July 1, 2009, for capital construction or acquisition projects of the Oregon University System described in section 6 (4)(b), (c) and (k), chapter 904, Oregon Laws 2009, expire on June 30, 2015, unless otherwise noted or unless changed by the Legislative Assembly.

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 chapter 286A, the State Board of Higher Education may sell, with the approval of the State Treasurer, general obligation bonds of the State of Oregon of the kind and character and within the limits 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 beginning July 1, 2009. The moneys realized from the sale of the bonds shall be appropriated and may be expended for the purposes set forth in section 2 (3)(h), chapter 845, Oregon Laws 2001, section 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 (d)*] **(4)(b), (c), (d) and (k),** (5)(a), (6)(b) and (7)(a) [*of this 2009 Act*], **chapter 904, Oregon Laws 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**.

[(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**.

[(9)] (8) 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)(d) *[of this 2009 Act]*, **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under section 21 *[of this 2009 Act]*, **chapter 904, Oregon 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**.

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 expendi-

ture limitation in section 6 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, has not been received by the State Board of Higher Education.

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

Sec. 2. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the Oregon University System, the State Treasurer is authorized to issue lottery bonds for capital construction, deferred maintenance and capital renewal, code compliance and safety projects.

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

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

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

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

(d) Having safe and fully functioning university facilities is essential to Oregon's healthy economic 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 Construction, 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 Maintenance 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.

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.

(2) The account shall consist of proceeds from lottery bonds 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 [\$6,586,000] **\$2,586,000** 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.

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

Sec. 20. (1) There is established in the General Fund an account to be known as the Oregon State University Bates Hall/Hallie Ford Healthy Children and Families Center 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.

(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.

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, Oregon Laws 2005, and sections 6, 8, 9, 10, 13, 19 and 20, chapter 904, Oregon Laws 2009, by 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 Legislative Counsel and the Legislative Fiscal Officer receive notice from the Oregon Department of Administrative Services of the award of a federal grant from the National Institute of Standards and Technology to Oregon State University for the purpose of constructing a Marine Mammal and Genomics Building at the Oregon State University Hatfield Marine Science Center.

(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 receiving notice from the Oregon University System.

SECTION 12. This 2010 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect on its passage.

Passed by House February 23, 2010

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Chief Clerk of House

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Speaker of House

Passed by Senate February 24, 2010

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President of Senate

Received by Governor:

.....M,....., 2010

Approved:

.....M,....., 2010

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Governor

Filed in Office of Secretary of State:

.....M,....., 2010

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Secretary of State