

# A-Engrossed House Bill 5201

Ordered by the House March 5  
Including House Amendments dated March 5

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

## 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.

Modifies amount authorized for issuance of certificates of participation and other financing agreements during 2011-2013 biennium.

**Authorizes issuance of lottery bonds and requires net proceeds of bonds to be deposited in Department of Community Colleges and Workforce Development Capital Construction, Deferred Maintenance and Capital Repair Project Fund.**

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to state financial administration; creating new provisions; amending section 15, chapter 2, Oregon Laws 2009, and section 1, chapter 614, Oregon Laws 2011; and declaring an emergency.

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

**SECTION 1.** Section 1, chapter 614, Oregon Laws 2011, is amended to read:

**Sec. 1.** The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements of this state during the 2011-2013 biennium are as follows:

### GENERAL OBLIGATION BONDS

#### General Fund Obligations

Oregon University System	
(Art. XI-G).....	\$ 17,608,000
Department of Community	
Colleges and Workforce	
Development (Art. XI-G).....	\$ 24,500,000
Department of Environmental	
Quality (Art. XI-H).....	\$ 16,740,000
Oregon Military Department	
(Art. XI-M).....	\$ 7,614,000
Oregon Department of	
Administrative Services	
<i>[(Art. XI-Q) .....</i>	<i>\$ 186,685,000]</i>
<b>(Art. XI-Q) .....</b>	<b>\$ 200,645,000</b>

#### Dedicated Fund Obligations

Department of Veterans'	
Affairs (Art. XI-A).....	\$ 100,000,000

**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	Oregon University System		
2	[(Art. XI-F(1)).....	\$	84,844,570]
3	<b>(Art. XI-F(1)) .....</b>	<b>\$</b>	<b>166,722,070</b>
4	Water Resources Department		
5	(Art. XI-I(1)).....	\$	15,000,000
6	Housing and Community Services		
7	Department (Art. XI-I(2)).....	\$	50,000,000
8	State Department of		
9	Energy (Art. XI-J) .....	\$	150,000,000
10	<u>Total General Obligation</u>		
11	[ <u>Bonds</u> .....	\$	652,991,570]
12	<b><u>Bonds</u> .....</b>	<b>\$</b>	<b>748,829,070</b>
13	REVENUE BONDS		
14	<u>Direct Revenue Bonds</u>		
15	Housing and Community		
16	Services Department .....	\$	300,000,000
17	Department of Transportation,		
18	Oregon Transportation		
19	Infrastructure Fund .....	\$	18,360,000
20	Highway User Tax Bonds.....	\$	663,000,000
21	Oregon Business Development		
22	Department .....	\$	100,000,000
23	Oregon Department of		
24	Administrative Services		
25	[ <i>lottery revenue bonds</i> .....	\$	222,705,000]
26	<b>lottery revenue bonds .....</b>	<b>\$</b>	<b>233,330,000</b>
27	State Department of Energy .....	\$	25,000,000
28	<u>Total Direct Revenue</u>		
29	[ <u>Bonds</u> .....	\$	1,329,065,000]
30	<b><u>Bonds</u> .....</b>	<b>\$</b>	<b>1,339,690,000</b>
31	<u>Pass-Through Revenue Bonds</u>		
32	Oregon Business Development		
33	Department industrial		
34	development bonds.....	\$	125,000,000
35	Oregon Facilities Authority .....	\$	550,000,000
36	Housing and Community Services		
37	Department .....	\$	125,000,000
38	<u>Total Pass-Through Revenue</u>		
39	<u>Bonds</u> .....	\$	800,000,000
40	[ <u>Total Revenue Bonds</u> .....	\$	2,129,065,000]
41	<b><u>Total Revenue Bonds</u> .....</b>	<b>\$</b>	<b>2,139,690,000</b>
42	CERTIFICATES OF PARTICIPATION		
43	AND OTHER FINANCING AGREEMENTS		
44	Oregon Department of		
45	[ <i>Administrative Services</i> .....	\$	10,000,000]

1            **Administrative Services..... \$ 12,500,000**

2            **SECTION 2. (1) Except as provided in subsection (2) of this section, for the biennium**  
3 **beginning July 1, 2011, at the request of the Oregon Department of Administrative Services,**  
4 **in consultation with the Department of Community Colleges and Workforce Development,**  
5 **the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to**  
6 **286A.585 in an amount not to exceed net proceeds of \$9,604,450 for the purpose described in**  
7 **subsection (3) of this section, plus an additional amount, to be estimated by the State**  
8 **Treasurer, for payment of bond-related costs.**

9            **(2) Not later than February 1, 2013, the State Debt Policy Advisory Commission shall**  
10 **report to the State Treasurer whether the state's lottery-backed debt capacity is sufficient**  
11 **to support the issuance of the bonds described in subsection (1) of this section. The State**  
12 **Treasurer may not issue lottery bonds pursuant to subsection (1) of this section if the State**  
13 **Treasurer, after considering the report of the commission, determines that the state's**  
14 **lottery-backed debt capacity is not sufficient to support the issuance of the bonds described**  
15 **in subsection (1) of this section.**

16            **(3) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the**  
17 **Department of Community Colleges and Workforce Development Capital Construction, De-**  
18 **ferred Maintenance and Capital Repair Project Fund established under section 15, chapter**  
19 **2, Oregon Laws 2009, as amended by section 12, chapter 906, Oregon Laws 2009.**

20            **(4) Bond-related costs for the lottery bonds authorized by this section must be paid from**  
21 **the gross proceeds of the lottery bonds and from allocations for the purposes of ORS**  
22 **286A.576 (1)(c).**

23            **(5) The Legislative Assembly finds that issuing lottery bonds to finance community col-**  
24 **lege capital construction projects pursuant to this section is essential to promoting the**  
25 **state's economic development, and the use of lottery bond proceeds is authorized based on**  
26 **the following findings:**

27            **(a) New buildings and facilities are needed for community colleges to have adequate fa-**  
28 **cilities for teaching.**

29            **(b) Development of community college infrastructure with a focus on workforce prepa-**  
30 **ration and development prioritized by all 17 community colleges in this state will serve to**  
31 **educate and develop a future workforce essential to Oregon's economic growth.**

32            **SECTION 3.** Section 15, chapter 2, Oregon Laws 2009, as amended by section 12, chapter 906,  
33 Oregon Laws 2009, is amended to read:

34            **Sec. 15. (1) The Department of Community Colleges and Workforce Development Capital Con-**  
35 **struction, Deferred Maintenance and Capital Repair Project Fund is established separate and dis-**  
36 **tinct from the General Fund. Interest earned by the Department of Community Colleges and**  
37 **Workforce Development Capital Construction, Deferred Maintenance and Capital Repair Project**  
38 **Fund shall be credited to the fund.**

39            **(2) Net proceeds of lottery bonds issued pursuant to section 14, chapter 2, Oregon Laws 2009,**  
40 **and section 2 of this 2012 Act shall be deposited into the Department of Community Colleges and**  
41 **Workforce Development Capital Construction, Deferred Maintenance and Capital Repair Project**  
42 **Fund. Moneys in the fund are continuously appropriated to the Department of Community Colleges**  
43 **and Workforce Development for the purpose of making grants to community college districts for**  
44 **capital construction, deferred maintenance, capital renewal, code compliance and safety projects.**

45            **SECTION 4. This 2012 Act being necessary for the immediate preservation of the public**

1 **peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect**  
2 **on its passage.**

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