

Senate Bill 1579

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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 **as introduced**.

Repeals allotment provision applicable to first fiscal year of current biennium.

Directs State Treasurer or Director of Oregon Department of Administrative Services to report to Legislative Assembly if treasurer or director cancels scheduled issuance of bonds or other financing agreement.

Modifies reporting and other provisions applicable to Joint Committee on Ways and Means, Emergency Board and Joint Interim Committee on Ways and Means.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending ORS 171.585, 184.360,
3 199.432, 276.390, 278.125, 285B.266, 286A.160, 291.100, 291.217, 291.342, 291.349, 291.371, 291.373,
4 291.375, 314.840, 390.124, 390.134, 396.515, 411.072, 413.072, 454.439, 468.220, 656.612 and 731.272
5 and section 4, chapter 220, Oregon Laws 2011; repealing ORS 291.385 and 391.100 and section
6 28, chapter 630, Oregon Laws 2011; and declaring an emergency.

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

ALLOTMENTS

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11 **SECTION 1. Section 28, chapter 630, Oregon Laws 2011, is repealed.**

BONDING

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15 **SECTION 2. Section 3 of this 2012 Act is added to and made a part of ORS chapter 286A.**

16 **SECTION 3. (1) If the State Treasurer or Director of the Oregon Department of Admin-**
17 **istrative Services determines that the treasurer or director will cancel an issuance of bonds,**
18 **or a financing agreement as defined in ORS 283.085, that was authorized by law and previ-**
19 **ously scheduled, the treasurer or director shall provide written notice to the President of the**
20 **Senate, the Speaker of the House of Representatives and the Legislative Fiscal Officer.**

21 **(2) The treasurer or director shall provide the notice not later than 30 days after the date**
22 **the issuance of the bonds or financing agreement was scheduled.**

REPORTS TO JOINT COMMITTEE ON WAYS AND MEANS

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26 **SECTION 4. Section 4, chapter 220, Oregon Laws 2011, is amended to read:**

27 **Sec. 4.** (1) [*Sections 1 and 2 of this 2011 Act*] **ORS 431.862 and 431.864** become operative [*when*

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 *the Oregon Health Authority receives funding described in section 3 of this 2011 Act]* **on the date that**
 2 **the Office of the Legislative Counsel receives written notice from the Oregon Health Au-**
 3 **thority indicating that the authority has received an amount of moneys under ORS 431.866**
 4 that is sufficient to carry out the provisions of [*section 1 of this 2011 Act*] **ORS 431.862.**

5 (2) The authority may take [*any action*] **the actions described in ORS 431.866** before the op-
 6 erative date specified in subsection (1) of this section to obtain the [*funding*] **moneys** necessary to
 7 carry out the provisions of [*section 1 of this 2011 Act*] **ORS 431.862.**

8 (3) Until the operative date specified in subsection (1) of this section, the authority shall report
 9 on [*the status of funding requests made under this section at each meeting of the interim*] **the actions**
 10 **taken by the authority pursuant to ORS 431.866 to the** Joint Committee on Ways and Means
 11 [*or to each meeting of the Human Services Subcommittee of the interim Joint Committee on Ways and*
 12 *Means*] **at least once during an odd-numbered year regular session of the Legislative Assem-**
 13 **bly.**

14 **REPORTS TO JOINT INTERIM COMMITTEE ON WAYS AND MEANS**

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 17 **SECTION 5.** ORS 171.585 is amended to read:

18 171.585. The Joint Legislative Audit Committee shall:

19 (1) Review all audits and make recommendations for change or remediation by the agency or
 20 other organization under review to the Emergency Board **or to the Joint Interim Committee on**
 21 **Ways and Means**, the Joint **Committee on** Ways and Means [*Committee*] and other persons re-
 22 ceiving the audit report under ORS 192.245.

23 (2) Accept requests for performance and program audits from individual legislators, legislative
 24 committees, the Division of Audits, the Budget and Management Division and the Legislative Fiscal
 25 Office.

26 (3) In conjunction with the Director of the Division of Audits, set priorities on the basis of risk
 27 assessment for performance and program audits and program evaluations.

28 (4) With the advice and assistance of the Legislative Fiscal Officer, the Administrator of the
 29 Budget and Management Division and the Director of the Division of Audits, determine the type of
 30 audit, evaluation or review utilizing criteria to include but not be limited to the nature and scope
 31 of the task, the time frame involved, necessary professional guidelines, economy, efficiency, cost and
 32 cost responsibility.

33 (5) Not later than 12 months after the issuance of an audit report, review the actions of an
 34 agency or other government organization for compliance with the recommendations of the audit re-
 35 port.

36 (6) Assign tasks to the Legislative Fiscal Office, the Budget and Management Division, the Di-
 37 vision of Audits or a special task force.

38 (7) Review state agency performance measures and make recommendations for change.

39 **SECTION 6.** ORS 184.360 is amended to read:

40 184.360. (1) As used in this section:

41 (a) "Executive department" has the meaning given that term in ORS 174.112.

42 (b) "State government" has the meaning given that term in ORS 174.111.

43 (2) It is the policy of this state that internal audit activities within state government be coor-
 44 dinated to promote effectiveness.

45 (3) The Oregon Department of Administrative Services shall adopt rules setting standards and

1 policies for internal audit functions within state government. The rules shall include, but are not
2 limited to:

3 (a) Standards for internal audits that are consistent with and incorporate commonly recognized
4 industry standards and practices; and

5 (b) Policies and procedures that ensure the integrity of the internal audit process.

6 (4) Each agency of the executive department required to have an internal audit function shall
7 produce a risk assessment of the entire agency that conforms to audit standards established by na-
8 tionally recognized entities such as the United States Government Accountability Office or the In-
9 stitute of Internal Auditors. The agency shall use its risk assessment as the basis for the selection
10 and performance of at least one internal audit per calendar year.

11 (5) Each agency of the executive department required to have an internal audit function shall
12 audit a component of its governance and risk management processes at least once every five years
13 and file a report with the Oregon Department of Administrative Services.

14 (6) Not later than December 31 of each calendar year, the Oregon Department of Administrative
15 Services shall prepare *[and submit]* a report **describing internal audit activities that have oc-**
16 **curring in state government during the calendar year in which the report is prepared. The**
17 **department shall submit the report** to the Joint Legislative Audit Committee. In the absence of
18 the Joint Legislative Audit Committee, the department shall submit the report to the Joint Com-
19 mittee on Ways and Means, **the Joint Interim Committee on Ways and Means**, *[or]* the Emer-
20 gency Board **or another committee of the Legislative Assembly designated by the President**
21 **of the Senate and the Speaker of the House of Representatives to receive the report.** *[The*
22 *report shall describe internal audit activities that have occurred in state government during the calen-*
23 *dar year in which the report is prepared.]*

24 **SECTION 7.** ORS 276.390 is amended to read:

25 276.390. (1) Not later than June 30 of each even-numbered year, the Oregon Department of Ad-
26 ministrative Services shall submit to the Emergency Board **or to the Joint Interim Committee**
27 **on Ways and Means** a schedule of rentals proposed for the biennium beginning on July 1 of the
28 next calendar year. *[Any changes in an existing schedule of rentals, or rentals for new buildings or*
29 *facilities, are subject to approval by the Emergency Board.]* The Emergency Board **or the Joint In-**
30 **terim Committee on Ways and Means** shall recommend to the next odd-numbered year regular
31 session of the Legislative Assembly that it appropriate for each agency occupying space in such a
32 building or facility an amount sufficient to pay rentals required under the schedule *[as approved by*
33 *the Emergency Board]*.

34 (2) The Emergency Board *[shall adopt]* **or the Joint Interim Committee on Ways and Means**
35 **shall recommend to the next odd-numbered year regular session of the Legislative Assembly**
36 a schedule of rentals for each biennium with respect to the State Capitol and the Supreme Court
37 Building.

38 **SECTION 8.** ORS 291.217 is amended to read:

39 291.217. (1) As used in this section:

40 (a) "Continuous improvement" means a set of actions designed to permanently improve state
41 agency performance, either in a specific targeted area or across all levels of an agency, through the
42 use of structured process analysis and problem solving.

43 (b) "Outcomes-based budget" means a budget that allocates government resources to those uses
44 of taxpayer moneys and fee revenues that will best produce the outcomes most important to the
45 residents of this state, that generates options for funding, that uses service redesign, competition,

1 collaboration and prioritization to drive continuous improvement and innovations, and that can be
2 used to align government, nonprofit and private resources to help produce the desired outcomes.

3 (c) "Performance management" means a formal, comprehensive set of business processes, in-
4 cluding strategic planning, performance measurement, leadership, process management and human
5 resources that help ensure more efficient and effective management operations and practices and
6 reduce costs.

7 (d) "Performance measurement" means a process of assessing progress toward achieving prede-
8 termined program objectives, including information on the efficiency with which resources are
9 transformed into goods and services, the quality of those goods and services, the results of a pro-
10 gram activity compared to its intended purpose and the effectiveness of state agency operations in
11 terms of their specific contributions to program objectives.

12 (e) "State agency" means every state officer, board, commission, department, institution, branch
13 or agency of the state government whose costs are paid wholly or in part from funds held in the
14 State Treasury.

15 (f) "State government" has the meaning given that term in ORS 174.111.

16 (2) As part of the tentative budget plan and the budget report required under ORS 291.210 and
17 291.216, the Oregon Department of Administrative Services and the Governor shall submit an
18 outcomes-based budget. The outcomes-based budget shall be based on the results of state agency
19 continuous improvement actions, performance management and performance measurement, shall de-
20 scribe and measure state agency efforts to implement process improvements and shall reflect state
21 agency efforts to achieve, through process improvements, quality service delivery at a lower cost.

22 (3) The budget for each state agency shall:

23 (a) Identify how the agency is addressing continuous improvement, performance management and
24 performance measurement; and

25 (b) For each agency program, state the number of persons served, or other units of service
26 provided, by the program.

27 (4) The Joint Committee on Ways and Means, the Emergency Board, **the Joint Interim Com-**
28 **mittee on Ways and Means** and the Legislative Fiscal Office may review performance management
29 and performance measurement processes for services provided by contract by state agencies or by
30 school districts.

31 **SECTION 9.** ORS 291.373 is amended to read:

32 291.373. (1) As used in this section, "state agency" has the meaning given that term in ORS
33 291.002.

34 (2) A state agency shall report, as provided in this section, to the appropriate committee of the
35 Legislative Assembly if the agency makes substantive changes in programs after the agency's budget
36 is approved by the Legislative Assembly.

37 (3) The Oregon Department of Administrative Services shall adopt rules defining what consti-
38 tutes a substantive program change for purposes of this section. When an agency has made a sub-
39 stantive program change as defined by the department, the agency shall notify the department of the
40 change. The department shall notify the Speaker of the House of Representatives and the President
41 of the Senate of substantive program changes made by state agencies.

42 (4) Based upon information submitted by the Oregon Department of Administrative Services
43 under subsection (3) of this section, the Speaker of the House of Representatives and the President
44 of the Senate shall determine which committee is appropriate for each report that is to be made
45 under subsection (2) of this section.

1 (5) A committee to which a report is to be made under subsection (2) of this section may request
2 that the report be made orally or in writing.

3 (6) An agency need not report to a committee under subsection (2) of this section on any matter
4 that the agency is required by ORS 291.371[,] or 291.375 [and 291.385] to report or present to the
5 Emergency Board, **to the Joint Interim Committee on Ways and Means** or to the Joint Com-
6 mittee on Ways and Means.

7 **SECTION 10.** ORS 291.375 is amended to read:

8 291.375. (1) Prior to the submission of any application for financial assistance or grants from the
9 United States or any agency [thereof] **of the United States** by or on behalf of any agency of this
10 state, the application must be submitted for legislative review in the following manner:

11 (a) If the application is to be submitted to the federal government when the Legislative Assem-
12 bly is in session, the application shall be submitted to the Joint Committee on Ways and Means for
13 review.

14 (b) If the application is to be submitted to the federal government when the Legislative Assem-
15 bly is not in session, the application shall be submitted to the Emergency Board or to the [interim]
16 Joint **Interim** Committee on Ways and Means for review.

17 (2) If the legislative agency authorized under subsection (1) of this section to review applications
18 described therein approves the application, it may be submitted to the appropriate federal agency.
19 If the legislative agency disapproves of the application, it [shall] **may** not be submitted to any fed-
20 eral agency unless it is or can be modified to meet the objections of the legislative agency.

21 (3) Notwithstanding subsection (1) of this section, the Joint Committee on Ways and Means,
22 [and] the Emergency Board **or the Joint Interim Committee on Ways and Means** may exempt
23 any state agency from the requirements of this section. Project grants for departmental research,
24 organized activities related to instruction, sponsored research or other sponsored programs carried
25 on within the Oregon University System, for which no biennial expenditure limitations have been
26 established, are exempt from the requirements of this section.

27 (4) The review required by this section is in addition to and not in lieu of the requirements of
28 ORS 293.550.

29 **SECTION 11.** ORS 314.840 is amended to read:

30 314.840. (1) The Department of Revenue may:

31 (a) Furnish any taxpayer, representative authorized to represent the taxpayer under ORS 305.230
32 or person designated by the taxpayer under ORS 305.193, upon request of the taxpayer, represen-
33 tative or designee, with a copy of the taxpayer's income tax return filed with the department for
34 any year, or with a copy of any report filed by the taxpayer in connection with the return, or with
35 any other information the department considers necessary.

36 (b) Publish lists of taxpayers who are entitled to unclaimed tax refunds.

37 (c) Publish statistics so classified as to prevent the identification of income or any particulars
38 contained in any report or return.

39 (d) Disclose a taxpayer's name, address, telephone number, refund amount, amount due, Social
40 Security number, employer identification number or other taxpayer identification number to the ex-
41 tent necessary in connection with collection activities or the processing and mailing of correspond-
42 ence or of forms for any report, return or claim required in the administration of ORS 310.630 to
43 310.706, any local tax under ORS 305.620, or any law imposing a tax upon or measured by net in-
44 come.

45 (2) The department also may disclose and give access to information described in ORS 314.835

1 to:

2 (a) The Governor of the State of Oregon or the authorized representative of the Governor:

3 (A) With respect to an individual who is designated as being under consideration for appoint-
4 ment or reappointment to an office or for employment in the office of the Governor. The information
5 disclosed shall be confined to whether the individual:

6 (i) Has filed returns with respect to the taxes imposed by ORS chapter 316 for those of not more
7 than the three immediately preceding years for which the individual was required to file an Oregon
8 individual income tax return.

9 (ii) Has failed to pay any tax within 30 days from the date of mailing of a deficiency notice or
10 otherwise respond to a deficiency notice within 30 days of its mailing.

11 (iii) Has been assessed any penalty under the Oregon personal income tax laws and the nature
12 of the penalty.

13 (iv) Has been or is under investigation for possible criminal offenses under the Oregon personal
14 income tax laws. Information disclosed pursuant to this paragraph shall be used only for the purpose
15 of making the appointment, reappointment or decision to employ or not to employ the individual in
16 the office of the Governor.

17 (B) For use by an officer or employee of the Oregon Department of Administrative Services duly
18 authorized or employed to prepare revenue estimates, or a person contracting with the Oregon De-
19 partment of Administrative Services to prepare revenue estimates, in the preparation of revenue
20 estimates required for the Governor's budget under ORS 291.201 to 291.226, or required for sub-
21 mission to the Emergency Board **or the Joint Interim Committee on Ways and Means**, or if the
22 Legislative Assembly is in session, to the Joint Committee on Ways and Means, and to the Legisla-
23 tive Revenue Officer **or Legislative Fiscal Officer** under ORS 291.342, 291.348 and 291.445. The
24 Department of Revenue shall disclose and give access to the information described in ORS 314.835
25 for the purposes of this subparagraph only if:

26 (i) The request for information is made in writing, specifies the purposes for which the request
27 is made and is signed by an authorized representative of the Oregon Department of Administrative
28 Services. The form for request for information shall be prescribed by the Oregon Department of
29 Administrative Services and approved by the Director of the Department of Revenue.

30 (ii) The officer, employee or person receiving the information does not remove from the premises
31 of the Department of Revenue any materials that would reveal the identity of a personal or corpo-
32 rate taxpayer.

33 (b) The Commissioner of Internal Revenue or authorized representative, for tax administration
34 and compliance purposes only.

35 (c) For tax administration and compliance purposes, the proper officer or authorized represen-
36 tative of any of the following entities that has or is governed by a provision of law that meets the
37 requirements of any applicable provision of the Internal Revenue Code as to confidentiality:

38 (A) A state;

39 (B) A city, county or other political subdivision of a state;

40 (C) The District of Columbia; or

41 (D) An association established exclusively to provide services to federal, state or local taxing
42 authorities.

43 (d) The Multistate Tax Commission or its authorized representatives, for tax administration and
44 compliance purposes only. The Multistate Tax Commission may make the information available to
45 the Commissioner of Internal Revenue or the proper officer or authorized representative of any

1 governmental entity described in and meeting the qualifications of paragraph (c) of this subsection.

2 (e) The Attorney General, assistants and employees in the Department of Justice, or other legal
3 representative of the State of Oregon, to the extent the department deems disclosure or access
4 necessary for the performance of the duties of advising or representing the department pursuant to
5 ORS 180.010 to 180.240 and the tax laws of this state.

6 (f) Employees of the State of Oregon, other than of the Department of Revenue or Department
7 of Justice, to the extent the department deems disclosure or access necessary for such employees
8 to perform their duties under contracts or agreements between the department and any other de-
9 partment, agency or subdivision of the State of Oregon, in the department's administration of the
10 tax laws.

11 (g) Other persons, partnerships, corporations and other legal entities, and their employees, to
12 the extent the department deems disclosure or access necessary for the performance of such others'
13 duties under contracts or agreements between the department and such legal entities, in the
14 department's administration of the tax laws.

15 (h) The Legislative Revenue Officer or authorized representatives upon compliance with ORS
16 173.850. Such officer or representative shall not remove from the premises of the department any
17 materials that would reveal the identity of any taxpayer or any other person.

18 (i) The Department of Consumer and Business Services, to the extent the department requires
19 such information to determine whether it is appropriate to adjust those workers' compensation
20 benefits the amount of which is based pursuant to ORS chapter 656 on the amount of wages or
21 earned income received by an individual.

22 (j) Any agency of the State of Oregon, or any person, or any officer or employee of such agency
23 or person to whom disclosure or access is given by state law and not otherwise referred to in this
24 section, including but not limited to the Secretary of State as Auditor of Public Accounts under
25 section 2, Article VI of the Oregon Constitution; the Department of Human Services pursuant to
26 ORS 314.860 and 412.094; the Division of Child Support of the Department of Justice and district
27 attorney regarding cases for which they are providing support enforcement services under ORS
28 25.080; the State Board of Tax Practitioners, pursuant to ORS 673.710; and the Oregon Board of
29 Accountancy, pursuant to ORS 673.415.

30 (k) The Director of the Department of Consumer and Business Services to determine that a
31 person complies with ORS chapter 656 and the Director of the Employment Department to determine
32 that a person complies with ORS chapter 657, the following employer information:

33 (A) Identification numbers.

34 (B) Names and addresses.

35 (C) Inception date as employer.

36 (D) Nature of business.

37 (E) Entity changes.

38 (F) Date of last payroll.

39 (L) The Director of Human Services to determine that a person has the ability to pay for care
40 that includes services provided by the Eastern Oregon Training Center or the Department of Human
41 Services to collect any unpaid cost of care as provided by ORS chapter 179.

42 (m) The Director of the Oregon Health Authority to determine that a person has the ability to
43 pay for care that includes services provided by the Blue Mountain Recovery Center or the Oregon
44 State Hospital or the Oregon Health Authority to collect any unpaid cost of care as provided by
45 ORS chapter 179.

1 (n) Employees of the Employment Department to the extent the Department of Revenue deems
2 disclosure or access to information on a combined tax report filed under ORS 316.168 is necessary
3 to performance of their duties in administering the tax imposed by ORS chapter 657.

4 (o) The State Fire Marshal to assist the State Fire Marshal in carrying out duties, functions and
5 powers under ORS 453.307 to 453.414, the employer or agent name, address, telephone number and
6 standard industrial classification, if available.

7 (p) Employees of the Department of State Lands for the purposes of identifying, locating and
8 publishing lists of taxpayers entitled to unclaimed refunds as required by the provisions of chapter
9 694, Oregon Laws 1993. The information shall be limited to the taxpayer's name, address and the
10 refund amount.

11 (q) In addition to the disclosure allowed under ORS 305.225, state or local law enforcement
12 agencies to assist in the investigation or prosecution of the following criminal activities:

13 (A) Mail theft of a check, in which case the information that may be disclosed shall be limited
14 to the stolen document, the name, address and taxpayer identification number of the payee, the
15 amount of the check and the date printed on the check.

16 (B) The counterfeiting, forging or altering of a check submitted by a taxpayer to the Department
17 of Revenue or issued by the Department of Revenue to a taxpayer, in which case the information
18 that may be disclosed shall be limited to the counterfeit, forged or altered document, the name, ad-
19 dress and taxpayer identification number of the payee, the amount of the check, the date printed
20 on the check and the altered name and address.

21 (r) The United States Postal Inspection Service or a federal law enforcement agency, including
22 but not limited to the United States Department of Justice, to assist in the investigation of the fol-
23 lowing criminal activities:

24 (A) Mail theft of a check, in which case the information that may be disclosed shall be limited
25 to the stolen document, the name, address and taxpayer identification number of the payee, the
26 amount of the check and the date printed on the check.

27 (B) The counterfeiting, forging or altering of a check submitted by a taxpayer to the Department
28 of Revenue or issued by the Department of Revenue to a taxpayer, in which case the information
29 that may be disclosed shall be limited to the counterfeit, forged or altered document, the name, ad-
30 dress and taxpayer identification number of the payee, the amount of the check, the date printed
31 on the check and the altered name and address.

32 (s) The United States Financial Management Service, for purposes of facilitating the offsets de-
33 scribed in ORS 305.612.

34 (t) A municipal corporation of this state for purposes of assisting the municipal corporation in
35 the administration of a tax of the municipal corporation that is imposed on or measured by income,
36 wages or net earnings from self-employment. Any disclosure under this paragraph may be made only
37 pursuant to a written agreement between the Department of Revenue and the municipal corporation
38 that ensures the confidentiality of the information disclosed.

39 (u) A consumer reporting agency, to the extent necessary to carry out the purposes of ORS
40 314.843.

41 (v) The Public Employees Retirement Board, to the extent necessary to carry out the purposes
42 of ORS 238.372 to 238.384, and to any public employer, to the extent necessary to carry out the
43 purposes of ORS 237.637 (2).

44 (3)(a) Each officer or employee of the department and each person described or referred to in
45 subsection (2)(a), (e) to (k) or (n) to (q) of this section to whom disclosure or access to the tax in-

1 formation is given under subsection (2) of this section or any other provision of state law, prior to
 2 beginning employment or the performance of duties involving such disclosure or access, shall be
 3 advised in writing of the provisions of ORS 314.835 and 314.991, relating to penalties for the vio-
 4 lation of ORS 314.835, and shall as a condition of employment or performance of duties execute a
 5 certificate for the department, in a form prescribed by the department, stating in substance that the
 6 person has read these provisions of law, that the person has had them explained and that the person
 7 is aware of the penalties for the violation of ORS 314.835.

8 (b) The disclosure authorized in subsection (2)(r) of this section shall be made only after a
 9 written agreement has been entered into between the Department of Revenue and the person de-
 10 scribed in subsection (2)(r) of this section to whom disclosure or access to the tax information is
 11 given, providing that:

12 (A) Any information described in ORS 314.835 that is received by the person pursuant to sub-
 13 section (2)(r) of this section is confidential information that may not be disclosed, except to the ex-
 14 tent necessary to investigate or prosecute the criminal activities described in subsection (2)(r) of
 15 this section;

16 (B) The information shall be protected as confidential under applicable federal and state laws;
 17 and

18 (C) The United States Postal Inspection Service or the federal law enforcement agency shall
 19 give notice to the Department of Revenue of any request received under the federal Freedom of In-
 20 formation Act, 5 U.S.C. 552, or other federal law relating to the disclosure of information.

21 (4) The Department of Revenue may recover the costs of furnishing the information described
 22 in subsection (2)(k) to (m) and (o) to (q) of this section from the respective agencies.

23 **SECTION 12.** ORS 396.515 is amended to read:

24 396.515. (1) Subject to the restriction contained in subsection (4) of this section, the Oregon
 25 Military Department may sell, exchange or lease any military department real property that is found
 26 to have become unsuitable for military department purposes. The Adjutant General shall make a
 27 determination of the unsuitability of the property for military department purposes and the advis-
 28 ability or necessity of sale, exchange or lease of the property.

29 (2) Title to any real property sold or exchanged shall be given in the name of the State of
 30 Oregon, and the deed conveying the title shall be signed by the Adjutant General. Title to real
 31 property received in exchange of military department real property shall be taken in the name of
 32 the State of Oregon, and the control of the property shall be vested in the military department.

33 (3) Military department real property owned jointly by the State of Oregon and the United
 34 States, or military department real property subject to federal restrictions in conflict with ORS
 35 396.505 to 396.545, shall, with appropriate federal authorization, be subject to the provisions of ORS
 36 396.505 to 396.545.

37 (4) Prior to the sale of military department real property, the military department shall submit
 38 to the Legislative Assembly, or to the Emergency Board **or the Joint Interim Committee on**
 39 **Ways and Means** when the legislature is not in session, the proposed sale of military department
 40 real property, for approval.

41 **SECTION 13.** ORS 411.072 is amended to read:

42 411.072. (1) As used in this section "policy change" includes any change in the operation of
 43 public assistance programs that affects recipients adversely in any substantial manner, including but
 44 not limited to the denial, reduction, modification or delay of benefits. "Policy change" does not in-
 45 clude any procedural change that affects internal management but does not adversely and substan-

1 tially affect the interest of public assistance recipients.

2 (2) The Department of Human Services may submit applications for waiver of federal statutory
3 or regulatory requirements to the federal government or any agency thereof. Prior to the submission
4 of any application for waiver that involves a policy change, and prior to implementation, the de-
5 partment shall do the following:

6 (a) Conduct a public process regarding the waiver application or application for waiver re-
7 newals;

8 (b) Prepare a complete summary of the testimony and written comments received during the
9 public process;

10 (c) Submit the application for waiver or application for waiver renewals involving a policy
11 change to the legislative review agency, as described in ORS 291.375, and present the summary of
12 testimony and comments described in this section; and

13 (d) Give notice of the date of its appearance before the Emergency Board, **the Joint Interim**
14 **Committee on Ways and Means** or the Joint Committee on Ways and Means in accordance with
15 ORS 183.335, and before the Family Services Review Commission.

16 **SECTION 14.** ORS 413.072 is amended to read:

17 413.072. (1) As used in this section, “policy change” includes any change in the operation of
18 medical assistance programs that affects recipients adversely in any substantial manner, including
19 but not limited to the denial, reduction, modification or delay of benefits. “Policy change” does not
20 include any procedural change that affects internal management but does not adversely and sub-
21 stantially affect the interest of medical assistance recipients.

22 (2) The Oregon Health Authority may submit applications for waiver of federal statutory or
23 regulatory requirements to the federal government or any agency of the federal government. Prior
24 to the submission of any application for waiver that involves a policy change, and prior to imple-
25 mentation, the authority shall do the following:

26 (a) Conduct a public process regarding the application for waiver or application for waiver re-
27 newals;

28 (b) Prepare a complete summary of the testimony and written comments received during the
29 public process;

30 (c) Submit the application for waiver or application for waiver renewals involving a policy
31 change to the legislative review agency, as described in ORS 291.375, and present the summary of
32 testimony and comments described in this section; and

33 (d) Give notice of the date of the authority’s appearance before the Emergency Board, **the Joint**
34 **Interim Committee on Ways and Means** or the Joint Committee on Ways and Means in accord-
35 ance with ORS 183.335, and before the Medicaid Advisory Committee.

36 **SECTION 15.** ORS 454.439 is amended to read:

37 454.439. (1) The Department of Environmental Quality shall use the moneys in the Assessment
38 Deferral Loan Program Revolving Fund to provide funds for assessment deferral loan programs ad-
39 ministered by public agencies that meet all of the following conditions:

40 (a) The program demonstrates that assessments or charges in lieu of assessments levied against
41 benefited properties for construction of treatment works required by a federal grant agreement or
42 by an order issued by a state commission or agency will subject property owners to extreme finan-
43 cial hardship.

44 (b) The governing body has adopted a program and the department has approved the program.

45 (c) The treatment works meets the requirements of section 2, Article XI-H of the Oregon Con-

1 stitution concerning eligibility of pollution control bond funds.

2 (2) The department also may use the moneys in the Assessment Deferral Loan Program Re-
3 volving Fund to pay the expenses of the department in administering the Assessment Deferral Loan
4 Program Revolving Fund and to repay capitalization loans.

5 (3) In administering the Assessment Deferral Loan Program Revolving Fund, the department
6 shall:

7 (a) Allocate funds to public agencies for assessment deferral loan programs in accordance with
8 a priority list adopted by the Environmental Quality Commission.

9 (b) Use accounting, audit and fiscal procedures that conform to generally accepted government
10 accounting standards.

11 (c) Prepare any reports required by the federal government as a condition to the award of fed-
12 eral capitalization grants.

13 (4) The Department of Environmental Quality shall submit an informational report to the Joint
14 Committee on Ways and Means or, if during the interim between sessions of the Legislative As-
15 sembly, to the Emergency Board **or to the Joint Interim Committee on Ways and Means** before
16 awarding the first loan from the Assessment Deferral Loan Program Revolving Fund. The report
17 shall describe the assessment deferral loan program and set forth in detail the operating procedures
18 of the program.

19 **SECTION 16.** ORS 468.220 is amended to read:

20 468.220. (1) The Department of Environmental Quality [*shall be*] **is** the agency for the State of
21 Oregon for the administration of the Pollution Control Fund. The department is [*hereby*] authorized
22 to use the Pollution Control Fund for one or more of the following purposes:

23 (a) To grant funds not to exceed 30 percent of total project costs for eligible projects as defined
24 in ORS 454.505 or sewerage systems as defined in ORS 468B.005.

25 (b) To acquire, by purchase, or otherwise, general obligation bonds or other obligations of any
26 municipal corporation, city, county, or agency of the State of Oregon, or combinations thereof, is-
27 sued or made for the purpose of paragraph (a) of this subsection in an amount not to exceed 100
28 percent of the total project costs for eligible projects.

29 (c) To acquire, by purchase, or otherwise, other obligations of any city that are authorized by
30 its charter in an amount not to exceed 100 percent of the total project costs for eligible projects.

31 (d) To grant funds not to exceed 30 percent of the total project costs for facilities for the dis-
32 posal of solid waste, including without being limited to, transfer and resource recovery facilities.

33 (e) To make loans or grants to any municipal corporation, city, county, or agency of the State
34 of Oregon, or combinations thereof, for planning of eligible projects as defined in ORS 454.505,
35 sewerage systems as defined by ORS 468B.005 or facilities for the disposal of solid waste, including
36 without being limited to, transfer and resource recovery facilities. Grants made under this paragraph
37 shall be considered a part of any grant authorized by paragraph (a) or (d) of this subsection if the
38 project is approved.

39 (f) To acquire, by purchase, or otherwise, general obligation bonds or other obligations of any
40 municipal corporation, city, county, or agency of the State of Oregon, or combinations thereof, is-
41 sued or made for the purpose of paragraph (d) of this subsection in an amount not to exceed 100
42 percent of the total project costs.

43 (g) To advance funds by contract, loan or otherwise, to any municipal corporation, city, county
44 or agency of the State of Oregon, or combination thereof, for the purpose of paragraphs (a) and (d)
45 of this subsection in an amount not to exceed 100 percent of the total project costs.

1 (h) To pay compensation required by law to be paid by the state for the acquisition of real
2 property for the disposal by storage of environmentally hazardous wastes.

3 (i) To dispose of environmentally hazardous wastes by the Department of Environmental Quality
4 whenever the department finds that an emergency exists requiring such disposal.

5 (j) To acquire for the state real property and facilities for the disposal by landfill, storage or
6 otherwise of solid waste, including but not limited to, transfer and resource recovery facilities.

7 (k) To acquire for the state real property and facilities for the disposal by incineration or oth-
8 erwise of hazardous waste or PCB.

9 (L) To provide funding for the Assessment Deferral Loan Program Revolving Fund established
10 in ORS 454.436.

11 (m) To provide funding for the Orphan Site Account established in ORS 465.381 but only to the
12 extent that the department reasonably estimates that debt service from bonds issued to finance such
13 facilities or activities shall be fully paid from fees collected pursuant to ORS 453.402 (2)(c), under
14 ORS 459.236 and under ORS 465.101 to 465.131 for the purpose of providing funds for the Orphan
15 Site Account and other available funds, but not from repayments of financial assistance under ORS
16 465.265 to 465.310 or from moneys recovered from responsible parties.

17 (n) To advance funds by contract, loan or otherwise, to any municipal corporation, city, county
18 or agency of this state, or combination thereof, for facilities or activities related to removal or re-
19 medial action of hazardous substances.

20 (o) To provide funding for the Water Pollution Control Revolving Fund established under ORS
21 468.427, either as a grant or an advance. If the funding provided is an advance, the department shall
22 establish the program described in ORS 468.433 (2) to pay the bonds that funded the advance.

23 (p) To fund loans to or buy debt obligations of a public agency, as defined in ORS 468.423, that
24 finance the costs of treatment works, as defined in ORS 468.423, which are funded in part through
25 the Water Pollution Control Revolving Fund.

26 (q) To provide funding for remedial actions related to contaminated sediment found in the sub-
27 merged and submersible lands, as those terms are defined in ORS 274.005, within the Willamette
28 River between Swan Island and the confluence of the Willamette and Columbia Rivers and associ-
29 ated remedial actions. The funding provided under this paragraph may be used for remedial action
30 costs, as defined in ORS 465.200.

31 (2) The facilities referred to in subsection (1)(a) to (c) of this section shall be only such as
32 conservatively appear to the department to be not less than 70 percent self-supporting and self-
33 liquidating from revenues, gifts, grants from the federal government, user charges, assessments and
34 other fees.

35 (3) The facilities referred to subsection (1)(d), (f) and (g) of this section shall be only such as
36 conservatively appear to the department to be not less than 70 percent self-supporting and self-
37 liquidating from revenues, gifts, grants from the federal government, user charges, assessments and
38 other fees.

39 (4) The real property and facilities that receive funding under subsection (1)(j), (k), (o) and (p)
40 of this section shall be only such as conservatively appear to the department to be not less than 70
41 percent self-supporting and self-liquidating from revenues, gifts, grants from the federal government,
42 user charges, assessments and other fees.

43 (5) The department may sell or pledge any bonds, notes or other obligations acquired under
44 subsection (1)(b) of this section.

45 (6) Before making a loan or grant to or acquiring general obligation bonds or other obligations

1 of a municipal corporation, city, county or agency for facilities for the disposal of solid waste or
 2 planning for such facilities, the department shall require the applicant to demonstrate that it has
 3 adopted a solid waste management plan that has been approved by the department. The plan must
 4 include a waste reduction program.

5 (7) Any grant authorized by this section shall be made only with the prior review of the Joint
 6 Committee on Ways and Means during the legislative sessions or the Emergency Board **or the Joint**
 7 **Interim Committee on Ways and Means** during the interim period between sessions.

8 (8) The department may assess those entities to whom grants and loans are made under this
 9 section to recover expenses incurred in administering this section.

10 **SECTION 17.** ORS 656.612 is amended to read:

11 656.612. (1) The Director of the Department of Consumer and Business Services shall impose and
 12 collect assessments from all insurers, self-insured employers and self-insured employer groups in an
 13 amount sufficient to pay the expenses of the Department of Consumer and Business Services under
 14 this chapter and ORS chapter 654 and under the Insurance Code. The assessments shall be paid in
 15 [such] **the** manner and at [such] intervals as the director may direct and when collected shall be
 16 deposited in the Consumer and Business Services Fund. [Such] **The** receipts in the account are
 17 continuously appropriated to the department for the purpose described in this subsection.

18 (2) The assessments shall be levied against the insurers' direct earned premium and the direct
 19 earned premium self-insured employers and self-insured employer groups would have paid had they
 20 been insured employers.

21 (3) The director may impose and collect an additional assessment from self-insured employer
 22 groups in an amount sufficient to pay the additional expenses involved in administering the group
 23 self-insured program.

24 (4) The director may establish a minimum assessment applicable to all insurers, self-insured
 25 employers and self-insured employer groups and shall establish the time, manner and method of im-
 26 posing and collecting assessments subject to applicable budgeting and fiscal laws.

27 (5) The assessments required under this section shall be developed pursuant to ORS 183.310 to
 28 183.410 and in such a manner that will reasonably and substantially accomplish the objective of
 29 subsection (2) of this section at the least possible administrative cost to everyone.

30 (6) Assessments developed by the department under this section shall be reported to the Joint
 31 [Legislative] Committee on Ways and Means or, during the interim between sessions of the Legisla-
 32 tive Assembly, to the Emergency Board **or to the Joint Interim Committee on Ways and**
 33 **Means.**

34 **SECTION 18.** ORS 731.272 is amended to read:

35 731.272. (1) The Director of the Department of Consumer and Business Services shall prepare
 36 annually, as soon after March 1 as is consistent with full and accurate preparation, a report of the
 37 official transactions of the director under the Insurance Code. The report shall include:

38 (a) In condensed form statements made to the director by every insurer authorized to do busi-
 39 ness in this state.

40 (b) A statement of all insurers authorized to do business in this state as of the date of the re-
 41 port.

42 (c) A list of insurers whose business in this state was terminated and the reason for the termi-
 43 nation. If the termination was a result of liquidation or delinquency proceedings brought against the
 44 insurer in this or any other state, the report shall include the amount of the insurer's assets and
 45 liabilities so far as those amounts are known to the director.

1 (d) A statement of the operating expenses of the Department of Consumer and Business Services
 2 under the Insurance Code, including salaries, transportation, communication, printing, office sup-
 3 plies, fixed charges and miscellaneous expenses.

4 (e) A detailed statement of the moneys, fees and taxes received by the department under the
 5 Insurance Code and from what source.

6 (f) Any other pertinent information and matters as the director considers to be in the public
 7 interest.

8 (2) The director shall give notice of the publication of the report to:

9 (a) The office of the Speaker of the House of Representatives;

10 (b) The office of the President of the Senate; and

11 (c) The chair or cochair of the Joint *[Legislative]* Committee on Ways and Means if the Legis-
 12 lative Assembly is in session or of the Emergency Board **or the Joint Interim Committee on**
 13 **Ways and Means** if during the interim.

14 MISCELLANEOUS REPORTING REQUIREMENTS

15
 16
 17 **SECTION 19.** ORS 278.125 is amended to read:

18 278.125. (1) The Oregon Department of Administrative Services is authorized to negotiate for
 19 and purchase such insurance as *[it]* **the department** deems necessary or desirable to accomplish the
 20 purposes of this chapter and ORS 30.260 to 30.300 and 278.322, or such other insurance or reinsur-
 21 ance as may be desirable to insure the state, participating local public bodies or their officers, em-
 22 ployees or agents against liability.

23 (2) The premium for *[such]* **the** insurance shall be paid from the Insurance Fund as either an
 24 administrative expense or charged to the benefiting state agency, agencies or participating local
 25 public bodies.

26 (3) The department *[shall]* **may** not implement any plan of self-insurance insuring any part of the
 27 liability of the state or its officers, employees or agents under ORS 30.260 to 30.300 until after the
 28 plan has been submitted to and approved by the Joint **Committee on** Ways and Means
 29 *[Committee]* of the Legislative Assembly*[, if the legislature is in session, or the Emergency Board]*.

30 **SECTION 20.** ORS 285B.266 is amended to read:

31 285B.266. (1) There is created a Strategic Reserve Fund, separate and distinct from the General
 32 Fund, to consist of all moneys credited *[thereto]* **to the fund**, including moneys from the Adminis-
 33 trative Services Economic Development Fund, and all interest earned on the Strategic Reserve Fund.
 34 The fund is continuously appropriated to the Oregon Business Development Department to be used
 35 to implement statewide strategies for economic development.

36 (2) The fund *[shall]* **may** not be used to retire any debt or*[, except upon approval of the Joint*
 37 *Ways and Means Committee or, if the Legislative Assembly is not in session, the Emergency Board,]*
 38 to pay administrative expenses of the department. Expenses that are project related *[shall not be]*
 39 **are not** considered to be administrative expenses of the department.

40 (3) The department is directed to place particular emphasis on investments that assist commu-
 41 nities, businesses or industries in cost-effective projects that assist the creation, expansion and
 42 preservation of the principal traded sector industries of Oregon and encourage diversification and
 43 preservation of regional economies. The fund shall be used to assist economic and community de-
 44 velopment projects of public entities, industry groups or businesses with significant long-term, re-
 45 gional or statewide economic impacts, to provide interim financing mechanisms to augment existing

1 public or private sector programs or to analyze statewide, long-term economic issues and opportu-
2 nities.

3 **SECTION 21.** ORS 286A.160 is amended to read:

4 286A.160. (1) Notwithstanding any law limiting expenditures of a state agency, for the purpose
5 of repaying obligations of the state to obtain savings in total or periodic debt service payments, a
6 law limiting expenditures does not apply to payments approved by the State Treasurer for adminis-
7 trative expenses, debt service or financing costs that are necessary or appropriate for the retirement
8 or refunding of bonds unless the law limiting expenditures creates a specific exception to this sec-
9 tion.

10 (2) The Oregon Department of Administrative Services may establish administrative limitations
11 on the payment and recording of expenditures made pursuant to subsection (1) of this section.

12 (3) The Oregon Department of Administrative Services shall report incurred expenses and debt
13 service savings resulting from actions taken under subsection (1) of this section that affect admin-
14 istrative expenses, debt service or financing costs paid with moneys out of the General Fund or
15 lottery funds, within 90 days of taking action, to the Joint Committee on Ways and Means if the
16 Legislative Assembly is in session or to the Emergency Board **or to the Joint Interim Committee**
17 **on Ways and Means** during the interim between legislative sessions.

18 **SECTION 22.** ORS 291.342 is amended to read:

19 291.342. (1) By August 15 of each year, but not earlier than 90 days from the end of the regular
20 session of the Legislative Assembly held in that calendar year, the Oregon Department of Adminis-
21 trative Services, with the assistance of the Department of Revenue, shall:

22 (a) Ascertain by computation and estimate the total amount of revenue available for state pur-
23 poses for the current fiscal year; and

24 (b) Apportion the state tax levy on property, if any, among the several counties in the manner
25 provided in ORS 291.445.

26 (2) In addition to the requirement in subsection (1) of this section, the Oregon Department of
27 Administrative Services with the assistance of the Department of Revenue shall for each calendar
28 quarter of the year ascertain by computation and estimate the total amount of revenue available for
29 state purposes for the current fiscal year, as well as the amount of revenue received quarterly, cu-
30 mulated throughout the biennium, and report its estimate to the Legislative Revenue Officer and to
31 the [*Emergency Board, or if the Legislative Assembly is in session, to the Joint Committee on Ways*
32 *and Means*] **Legislative Fiscal Officer**.

33 (3) In carrying out its duties under subsection (2) of this section, the Oregon Department of
34 Administrative Services shall issue quarterly a statement setting forth the methodology and as-
35 sumptions used in making the revenue estimate. Nothing in this subsection requires the statement
36 to set forth procedures used or methods used to determine either the methodology or the assump-
37 tions.

38 **SECTION 23.** ORS 291.349 is amended to read:

39 291.349. (1) As soon as practicable after adjournment sine die of the odd-numbered year regular
40 session of the Legislative Assembly, the Oregon Department of Administrative Services shall report
41 to the [*Emergency Board*] **Legislative Revenue Officer and the Legislative Fiscal Officer** the
42 estimate as of July 1 of the first year of the biennium of General Fund and State Lottery Fund re-
43 venues that will be received by the state during that biennium. The Oregon Department of Admin-
44 istrative Services shall base its estimate on the last forecast given to the Legislative Assembly
45 before adjournment sine die of the odd-numbered year regular session on which the printed, adopted

1 budget prepared in the Oregon Department of Administrative Services is based, adjusted only insofar
2 as necessary to reflect changes in laws adopted at that session. The report shall contain the esti-
3 mated revenues from corporate income and excise taxes separately from the estimated revenues from
4 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
5 mate if necessary following adjournment sine die of a special session or an even-numbered year
6 regular session of the Legislative Assembly, but any revision does not affect the basis of the com-
7 putation described in subsection (3) or (4) of this section.

8 (2) As soon as practicable after the end of the biennium, the Oregon Department of Adminis-
9 trative Services shall report to the [*Emergency Board*] **Legislative Revenue Officer and the Leg-**
10 **islative Fiscal Officer**, or the Legislative Assembly if it is in session, the amount of General Fund
11 revenues collected as of the last June 30 of the preceding biennium. The report shall contain the
12 collections from corporate income and excise taxes separately from collections from other sources.

13 (3) If the revenues received from the corporate income and excise taxes during the biennium
14 exceed the amounts estimated to be received from such taxes for the biennium, as estimated after
15 adjournment sine die of the odd-numbered year regular session, by two percent or more, the total
16 amount of that excess shall be credited to corporate income and excise taxpayers in a percentage
17 amount of prior year corporate excise and income tax liability as determined under subsection (5)
18 of this section. However, no credit shall be allowed against tax liability imposed by ORS 317.090.

19 (4) If the revenues received from General Fund revenue sources, exclusive of those described in
20 subsection (3) of this section, during the biennium exceed the amounts estimated to be received from
21 such sources for the biennium, as estimated after adjournment sine die of the odd-numbered year
22 regular session, by two percent or more, there shall be credited to personal income taxpayers an
23 amount equal to the total amount of that excess, reduced by the cost certified by the Department
24 of Revenue under ORS 291.351 as being allocable to credits described under this subsection. The
25 excess amount to be credited shall be credited to personal income taxpayers in a percentage amount
26 of prior year personal income tax liability as determined under subsection (5) of this section.

27 (5)(a) If there is an excess to be credited under subsection (3) or (4) of this section, or both, on
28 or before October 1, following the end of each biennium, the Oregon Department of Administrative
29 Services shall determine and certify to the Department of Revenue the percentage amounts of credit
30 for purposes of subsection (3) or (4) of this section. The percentage amounts determined shall be
31 percentage amounts to the nearest one-tenth of a percent that will distribute the excess to be
32 credited either to corporate excise and income taxpayers or to personal income taxpayers.

33 (b) The percentage amount applicable to subsection (3) of this section shall equal the amount
34 distributed under subsection (3) of this section divided by the estimated total corporate income and
35 excise tax liability for all corporate income and excise taxpayers for tax years beginning in the
36 calendar year immediately preceding the calendar year in which the excess is determined.

37 (c) The amount of the surplus credit under subsection (3) of this section is determined by
38 multiplying the percentage amount determined under paragraph (b) of this subsection by the total
39 amount of a corporate income or excise taxpayer's tax liability for the tax year beginning in the
40 calendar year immediately preceding the calendar year in which the excess is determined in order
41 to calculate the amount to be credited to the taxpayer.

42 (d) The percentage amount applicable to subsection (4) of this section shall equal the amount
43 distributed under subsection (4) of this section divided by the estimated total personal income tax
44 liability for all personal income taxpayers for tax years beginning in the calendar year immediately
45 preceding the calendar year in which the excess is determined.

1 (e) The amount of the surplus credit under subsection (4) of this section is determined by
2 multiplying the percentage amount determined under paragraph (d) of this subsection by the total
3 amount of a personal income taxpayer's tax liability for the tax year beginning in the calendar year
4 immediately preceding the calendar year in which the excess is determined in order to calculate the
5 amount to be credited to the taxpayer.

6 (f) The credit shall be determined based on the tax liability as shown on the return of the tax-
7 payer or as corrected by the Department of Revenue.

8 (g) The credit shall be computed after the allowance of a credit provided under ORS 316.082,
9 316.131 or 316.292, but before the allowance of any other credit or offset against tax liability allowed
10 or allowable under any provision of law of this state, and before the application of estimated tax
11 payments, withholding or other advance tax payments.

12 (h) For corporate income and excise taxpayers, if a credit applied against tax liability as de-
13 scribed in paragraph (g) of this subsection reduces tax liability to zero and an amount of the credit
14 remains unused, the remaining unused amount shall be carried forward and applied against tax li-
15 ability as prescribed in paragraph (g) of this subsection in the succeeding tax year. Following ap-
16 plication of the credit against tax liability in a succeeding tax year, any amount continuing to
17 remain unused shall be carried forward and applied against tax liability in a succeeding tax year
18 until all remaining amounts of unused credit are offset against tax liability.

19 (i) For personal income taxpayers, if a credit applied against tax liability as described in para-
20 graph (g) of this subsection reduces tax liability to zero and an amount of the credit remains unused,
21 the remaining unused amount shall be refunded to the taxpayer. For purposes of ORS chapters 305,
22 314, 315 and 316, refunds issued under this paragraph are refunds of an overpayment of tax imposed
23 under ORS chapter 316.

24 (j) Notwithstanding paragraph (g) of this subsection, if an excess is credited under subsection
25 (3) of this section for a tax year and an unused credit amount from a prior tax year is carried for-
26 ward to the tax year as prescribed under paragraph (h) of this subsection, the amount of the
27 carryforward credit shall be applied against tax liability prior to applying the new credit.

28 (k) The Department of Revenue may prescribe by rule the manner of calculating and claiming
29 a credit if the filing status of a taxpayer changes between the tax year for which a credit may be
30 claimed and the succeeding tax year.

31 (6) A refund may not be made under this section to a taxpayer if the amount of the refund is
32 less than \$1.

33 (7) Not later than October 15 following the end of the biennium, the Department of Revenue
34 shall provide information and guidance to taxpayers relating to the calculation of the credit. The
35 department may make the information and guidance available electronically or otherwise.

36 (8) The Department of Revenue may adopt rules specifying the manner for issuing refunds under
37 this section to taxpayers who filed returns in the tax year on which the credit is computed but who
38 are not required to file returns in the year in which the credit could be claimed.

39 **SECTION 24.** ORS 390.124 is amended to read:

40 390.124. (1) In accordance with any applicable provision of ORS chapter 183, the State Parks and
41 Recreation Commission may adopt rules necessary to carry out the duties, functions and powers
42 imposed by law upon the commission and the State Parks and Recreation Department. Rules adopted
43 pursuant to this section shall be duly entered in the minutes and records of the commission.

44 (2) The commission may adopt rules that assess reasonable charges[, *including fee reductions,*
45 *waivers and exemptions,*] for the use of areas established and maintained by the department. **The**

1 **department may also adopt rules establishing reductions in waivers of or exemption from the**
 2 **charges.** However, the commission shall authorize the use of any state park, individual campsite
 3 or day use fee area without charge:

4 (a) Upon the showing of proper identification, by a person maintaining a foster home, as defined
 5 by ORS 418.625, and the person's children, when accompanied by a foster child residing in the home.

6 (b) Upon the showing of proper identification, by a person maintaining a developmental disabili-
 7 ty child foster home, as defined by ORS 443.830, and the person's children, when accompanied by
 8 a foster child residing in the home.

9 (c) If a deed to, lease of or contract to use the property used as a state park, campsite or day
 10 use fee area prohibits the charging of fees for use of the property.

11 (d) Upon the showing of proper identification, by either a disabled veteran or a person on leave
 12 from military active duty status on Memorial Day, Independence Day or Veterans Day.

13 *[(3) The commission shall report to an appropriate committee of the Legislative Assembly, no later*
 14 *than January 31 of each odd-numbered year, on the fee reductions, waivers and exemptions adopted*
 15 *by rule by the commission pursuant to subsection (2) of this section.]*

16 *[(4)]* (3) The commission shall adopt any rules pursuant to ORS chapter 183 that the commission
 17 considers necessary to carry out ORS 273.563 to 273.591.

18 **SECTION 25.** ORS 390.134 is amended to read:

19 390.134. (1) As used in this section:

20 (a) "Camper" has the meaning given that term in ORS 801.180.

21 (b) "County" includes a metropolitan service district organized under ORS chapter 268, but only
 22 to the extent that the district has acquired, through title transfer, and is operating a park or re-
 23 creation site of a county pursuant to an intergovernmental agreement.

24 (c) "Motor home" has the meaning given that term in ORS 801.350.

25 (d) "Travel trailer" has the meaning given that term in ORS 801.565.

26 (2) The State Parks and Recreation Department Fund is established separate and distinct from
 27 the General Fund. Moneys in the fund are continuously appropriated to the State Parks and Recre-
 28 ation Department for the purposes provided by law. The fund shall consist of the following:

29 (a) All moneys placed in the fund as provided by law. Any interest or other income derived from
 30 the depositing or other investing of the fund must be credited to the fund.

31 (b) All registration fees received by the Department of Transportation for campers, motor homes
 32 and travel trailers that are transferred to the fund under ORS 366.512. The funds must be deposited
 33 in a separate subaccount established under subsection (3) of this section.

34 (c) Revenue from *[fees and]* charges pursuant to ORS 390.124.

35 (3) Any moneys placed in the fund for a particular purpose may be placed in a separate subac-
 36 count within the fund. Each separate subaccount established under this subsection must be sepa-
 37 rately accounted for. Moneys placed in a subaccount must be used for the purposes for which they
 38 are deposited.

39 (4) All of the moneys in the fund except those moneys described in subsection (3), (5), (6), (7), (8)
 40 or (9) of this section must be deposited in a separate subaccount within the fund and used by the
 41 State Parks and Recreation Department for the acquisition, development, maintenance, care and use
 42 of park and recreation sites and for the maintenance and operation of the Oregon State Fair. The
 43 moneys **deposited** in the subaccount under this subsection must be accounted for separately and
 44 stated separately in the State Parks and Recreation Department's biennial budget.

45 (5)(a) Thirty-five percent of the amount transferred to the State Parks and Recreation Depart-

1 ment under ORS 366.512 from the registration of travel trailers, campers and motor homes and under
2 ORS 803.601 from recreational vehicle trip permits must be deposited in a separate subaccount
3 within the fund to be distributed for the acquisition, development, maintenance, care and use of
4 county park and recreation sites. The moneys **deposited** in the subaccount under this paragraph
5 must be accounted for separately. The following apply to the distribution of moneys under this par-
6 agraph:

7 (A) The moneys must be distributed among the several counties for the purposes described in
8 this paragraph. The distribution shall be made at times determined by the State Parks and Recre-
9 ation Department but must be made not less than once a year.

10 (B) The sums designated under this paragraph must be remitted to the county treasurers of the
11 several counties by warrant.

12 (b) The department shall establish an advisory committee to advise the department in the per-
13 formance of its duties under this subsection. The composition of the advisory committee under this
14 subsection is as determined by the department by rule. In determining the composition of the advi-
15 sory committee, the department shall attempt to provide reasonable representation for county offi-
16 cials or employees with responsibilities relating to county parks and recreation sites.

17 (c) The department, by rule, shall establish a program to provide moneys to counties for the
18 acquisition, development, maintenance, care and use of county park and recreation sites. The rules
19 under this paragraph shall provide for distribution of moneys based on use and need and, as the
20 department determines necessary, on the need for the development and maintenance of facilities to
21 provide camping sites for campers, motor homes and travel trailers.

22 (6) The department shall create a separate City and County Subaccount within the fund to be
23 used to reimburse cities and counties as provided in ORS 390.290.

24 (7) The department shall create a separate rural Fire Protection District Subaccount to be used
25 to provide funds for the fire protection districts as provided in ORS 390.290.

26 (8) Twelve percent of the amount transferred to the State Parks and Recreation Department
27 Fund from the Parks Subaccount shall be used only to carry out the purposes and achievements
28 described in ORS 390.135 (2) and (3) through the awarding of grants to regional or local government
29 entities to acquire property for public parks, natural areas or outdoor recreation areas or to develop
30 or improve public parks, natural areas or outdoor recreation areas. Moneys described in this sub-
31 section may not be used to pay the cost of administering grants or the cost of any Secretary of State
32 audit required under section 4c, Article XV of the Oregon Constitution.

33 (9) If the amount transferred to the State Parks and Recreation Department Fund from the Parks
34 Subaccount during a biennium is more than 150 percent of the amount that was transferred during
35 the 2009-2011 biennium, the State Treasurer shall, during the next following biennium, deposit for
36 use as described in subsection (8) of this section the amount required under subsection (8) of this
37 section plus an amount equal to the difference between the amount deposited for use as described
38 in subsection (8) of this section during the preceding biennium and 25 percent of the moneys trans-
39 ferred to the State Parks and Recreation Department Fund from the Parks Subaccount during the
40 preceding biennium.

41 (10) Subsections (8) and (9) of this section apply only for biennia in which the Legislative As-
42 sembly does not require a greater percentage of the amount transferred to the State Parks and Re-
43 creation Department Fund from the Parks Subaccount to be used for the purposes described in
44 subsection (8) of this section. The Legislative Assembly may not authorize the percentage of the
45 amount transferred to the State Parks and Recreation Department Fund from the Parks Subaccount

1 that is deposited for use as described in subsection (8) of this section in a biennium to be less than
2 the percentage required to be deposited under subsections (8) and (9) of this section.

3 *[(11) On or before January 15 of each odd-numbered year, the State Parks and Recreation Director
4 shall report to the Joint Committee on Ways and Means created by ORS 171.555 on the use of moneys
5 deposited pursuant to ORS 805.256 in the fund. Notwithstanding ORS 192.230 to 192.250, the director
6 shall make the report in a form and manner as the committee may prescribe.]*

7 *[(12)]* (11) On or before January 15 of each odd-numbered year, the director shall submit a report
8 to the Joint Committee on Ways and Means created by ORS 171.555, **or the Joint Interim Com-**
9 **mittee on Ways and Means**, that describes the measurable biennial and cumulative results of ac-
10 tivities and programs financed by moneys transferred to the State Parks and Recreation Department
11 Fund from the Parks Subaccount. Notwithstanding ORS 192.230 to 192.250, the director shall make
12 the report in a form and manner as the committee may prescribe.

13 **SECTION 26.** ORS 390.134, as amended by section 2, chapter 792, Oregon Laws 2007, section
14 47, chapter 11, Oregon Laws 2009, and section 5, chapter 643, Oregon Laws 2011, is amended to
15 read:

16 390.134. (1) As used in this section:

17 (a) "Camper" has the meaning given that term in ORS 801.180.

18 (b) "County" includes a metropolitan service district organized under ORS chapter 268, but only
19 to the extent that the district has acquired, through title transfer, and is operating a park or re-
20 creation site of a county pursuant to an intergovernmental agreement.

21 (c) "Motor home" has the meaning given that term in ORS 801.350.

22 (d) "Travel trailer" has the meaning given that term in ORS 801.565.

23 (2) The State Parks and Recreation Department Fund is established separate and distinct from
24 the General Fund. Moneys in the fund are continuously appropriated to the State Parks and Recre-
25 ation Department for the purposes provided by law. The fund shall consist of the following:

26 (a) All moneys placed in the fund as provided by law. Any interest or other income derived from
27 the depositing or other investing of the fund must be credited to the fund.

28 (b) All registration fees received by the Department of Transportation for campers, motor homes
29 and travel trailers that are transferred to the fund under ORS 366.512. The funds must be deposited
30 in a separate subaccount established under subsection (3) of this section.

31 (c) Revenue from *[fees and]* charges pursuant to ORS 390.124.

32 (3) Any moneys placed in the fund for a particular purpose may be placed in a separate subac-
33 count within the fund. Each separate subaccount established under this subsection must be sepa-
34 rately accounted for. Moneys placed in a subaccount must be used for the purposes for which they
35 are deposited.

36 (4) All of the moneys in the fund except those moneys described in subsection (3), (5), (6), (7), (8)
37 or (9) of this section must be deposited in a separate subaccount within the fund and used by the
38 State Parks and Recreation Department for the acquisition, development, maintenance, care and use
39 of park and recreation sites and for the maintenance and operation of the Oregon State Fair. The
40 moneys **deposited** in the subaccount under this subsection must be accounted for separately and
41 stated separately in the State Parks and Recreation Department's biennial budget.

42 (5)(a) Thirty percent of the amount transferred to the State Parks and Recreation Department
43 under ORS 366.512 from the registration of travel trailers, campers and motor homes and under ORS
44 803.601 from recreational vehicle trip permits must be deposited in a separate subaccount within the
45 fund to be distributed for the acquisition, development, maintenance, care and use of county park

1 and recreation sites. The moneys **deposited** in the subaccount under this paragraph must be ac-
2 counted for separately. The following apply to the distribution of moneys under this paragraph:

3 (A) The moneys must be distributed among the several counties for the purposes described in
4 this paragraph. The distribution shall be made at times determined by the State Parks and Recre-
5 ation Department but must be made not less than once a year.

6 (B) The sums designated under this paragraph must be remitted to the county treasurers of the
7 several counties by warrant.

8 (b) The department shall establish an advisory committee to advise the department in the per-
9 formance of its duties under this subsection. The composition of the advisory committee under this
10 subsection is as determined by the department by rule. In determining the composition of the advi-
11 sory committee, the department shall attempt to provide reasonable representation for county offi-
12 cials or employees with responsibilities relating to county parks and recreation sites.

13 (c) The department, by rule, shall establish a program to provide moneys to counties for the
14 acquisition, development, maintenance, care and use of county park and recreation sites. The rules
15 under this paragraph shall provide for distribution of moneys based on use and need and, as the
16 department determines necessary, on the need for the development and maintenance of facilities to
17 provide camping sites for campers, motor homes and travel trailers.

18 (6) The department shall create a separate City and County Subaccount within the fund to be
19 used to reimburse cities and counties as provided in ORS 390.290.

20 (7) The department shall create a separate rural Fire Protection District Subaccount to be used
21 to provide funds for the fire protection districts as provided in ORS 390.290.

22 (8) Twelve percent of the amount transferred to the State Parks and Recreation Department
23 Fund from the Parks Subaccount shall be used only to carry out the purposes and achievements
24 described in ORS 390.135 (2) and (3) through the awarding of grants to regional or local government
25 entities to acquire property for public parks, natural areas or outdoor recreation areas or to develop
26 or improve public parks, natural areas or outdoor recreation areas. Moneys described in this sub-
27 section may not be used to pay the cost of administering grants or the cost of any Secretary of State
28 audit required under section 4c, Article XV of the Oregon Constitution.

29 (9) If the amount transferred to the State Parks and Recreation Department Fund from the Parks
30 Subaccount during a biennium is more than 150 percent of the amount that was transferred during
31 the 2009-2011 biennium, the State Treasurer shall, during the next following biennium, deposit for
32 use as described in subsection (8) of this section the amount required under subsection (8) of this
33 section plus an amount equal to the difference between the amount deposited for use as described
34 in subsection (8) of this section during the preceding biennium and 25 percent of the moneys trans-
35 ferred to the State Parks and Recreation Department Fund from the Parks Subaccount during the
36 preceding biennium.

37 (10) Subsections (8) and (9) of this section apply only for biennia in which the Legislative As-
38 sembly does not require a greater percentage of the amount transferred to the State Parks and Re-
39 creation Department Fund from the Parks Subaccount to be used for the purposes described in
40 subsection (8) of this section. The Legislative Assembly may not authorize the percentage of the
41 amount transferred to the State Parks and Recreation Department Fund from the Parks Subaccount
42 that is deposited for use as described in subsection (8) of this section in a biennium to be less than
43 the percentage required to be deposited under subsections (8) and (9) of this section.

44 [(11) On or before January 15 of each odd-numbered year, the State Parks and Recreation Director
45 shall report to the Joint Committee on Ways and Means created by ORS 171.555 on the use of moneys

1 *deposited pursuant to ORS 805.256 in the fund. Notwithstanding ORS 192.230 to 192.250, the director*
 2 *shall make the report in a form and manner as the committee may prescribe.]*

3 [(12)] (11) On or before January 15 of each odd-numbered year, the director shall submit a report
 4 to the Joint Committee on Ways and Means created by ORS 171.555, **or the Joint Interim Com-**
 5 **mittee on Ways and Means**, that describes the measurable biennial and cumulative results of ac-
 6 tivities and programs financed by moneys transferred to the State Parks and Recreation Department
 7 Fund from the Parks Subaccount. Notwithstanding ORS 192.230 to 192.250, the director shall make
 8 the report in a form and manner as the committee may prescribe.

9
 10 **REPEALS**

11
 12 **SECTION 27. (1) ORS 291.385 and 391.100 are repealed.**

13 **(2) Any moneys remaining in the Light Rail Construction Fund on the effective date of**
 14 **this 2012 Act are transferred to the General Fund.**

15
 16 **CONFORMING AMENDMENTS**

17
 18 **SECTION 28.** ORS 199.432 is amended to read:

19 199.432. (1) A boundary commission created under ORS 199.430 may sue and be sued, enter into
 20 contracts and perform such other actions as may be necessary to carry out the provisions of ORS
 21 199.410 to 199.534.

22 (2) A boundary commission is a state agency as defined in ORS 291.002 and is not subject to the
 23 provisions of ORS 291.201 to 291.226, 291.232 to 291.260, 291.371, 291.373[,] **or** 291.375 [*or* 291.385].

24 (3) A boundary commission employing personnel under ORS 199.455 shall provide employee
 25 benefits provided to state management service employees.

26 **SECTION 29.** ORS 291.100 is amended to read:

27 291.100. (1) It is the intent of the Legislative Assembly, in funding the development and imple-
 28 mentation of a new statewide financial management system, that statewide financial management
 29 systems and policies support program-driven budget planning and execution, based on timely and
 30 accurate statewide managerial cost accounting information and that such systems support legislative
 31 program evaluation and performance auditing of statewide programs and services.

32 (2) The Oregon Department of Administrative Services shall devise and supervise statewide fi-
 33 nancial management systems for all state agencies by preparing policies and procedures for imple-
 34 menting and operating financial management systems for all agencies in state government and
 35 measuring implementation. In order to [*assure*] **ensure** that the state's investment in a modern and
 36 complete statewide financial management system is fully implemented, every agency and unit of
 37 state government shall:

38 (a) Cooperate and comply fully with policies and procedures and deadlines prepared by the
 39 Oregon Department of Administrative Services for establishing a database for the financial man-
 40 agement system.

41 (b) Comply fully with policies and procedures prepared by the Oregon Department of Adminis-
 42 trative Services for operation of the financial management system.

43 (3) The Oregon Department of Administrative Services shall report to the Legislative Assembly
 44 no later than December 1 of even-numbered years:

45 (a) Progress in implementing the financial management system as to preparation of financial

1 statements, nonfinancial management information and the ability of the system to support legislative
2 program evaluation and performance auditing.

3 (b) Compliance by each agency and unit of state government with policies and procedures of the
4 Oregon Department of Administrative Services for implementation of the financial management
5 system.

6 (4) After a review of the Oregon Department of Administrative Services report by the Legisla-
7 tive Fiscal Officer, the Joint Legislative Audit Committee may schedule a hearing for any agency
8 or unit of state government to review compliance with this section and policies and procedures of
9 the Oregon Department of Administrative Services, prior to any appropriation approval by the
10 Legislative Assembly[, *as provided in ORS 171.585 (1)*].

11 **SECTION 30.** ORS 291.371 is amended to read:

12 291.371. (1) As used in this section, “legislative review agency” means the Joint Committee on
13 Ways and Means during the period when the Legislative Assembly is in session and the Emergency
14 Board or the [*interim*] Joint **Interim** Committee on Ways and Means during the interim period be-
15 tween sessions.

16 (2) Prior to making any changes in a salary plan, the Oregon Department of Administrative
17 Services shall submit the proposed changes to the legislative review agency.

18 (3)(a) The Oregon Department of Administrative Services may approve the reallocation of posi-
19 tions or the establishment of new positions not specifically provided for in the budget of the affected
20 agency if it finds that the proposed change:

21 (A) Can be financed by the agency within the limits of its biennial budget and legislatively ap-
22 proved program;

23 (B) Will not produce future budgetary increases; and

24 (C) Conforms to legislatively approved salary policies.

25 (b) Proposed changes not meeting the requirements of paragraph (a) of this subsection shall be
26 presented to the legislative review agency.

27 (4) Agencies within the Department of Human Services, the Oregon Health Authority and the
28 Department of Corrections shall report on a biennial basis to the legislative review agency. Each
29 report shall include the number of vacant budgeted positions, including all job categories and clas-
30 sifications, within the agency. The legislative review agency shall order the reporting agency to
31 show cause why the budgeted positions have not been filled and shall assess fully the impact the
32 vacancies have on:

33 (a) The agency’s delivery of services, accounting for any seasonal fluctuation in the need for
34 those services;

35 (b) The agency’s budget due to increased use of overtime;

36 (c) The agency’s use of temporary employees; and

37 (d) Employee workload.

38 (5) It is declared to be the policy of this state that the total personal services, budget and full-
39 time equivalent positions approved for any state agency shall be the maximum amount necessary to
40 meet the requirements of the agency for the biennium. Notwithstanding ORS 291.232 to 291.260, the
41 Governor and the Oregon Department of Administrative Services may transfer vacant position au-
42 thority among and within state agencies to achieve maximum utilization of authorized positions
43 within agencies.

44
45

CAPTIONS

1 **SECTION 31.** The unit captions used in this 2012 Act are provided only for the conven-
2 ience of the reader and do not become part of the statutory law of this state or express any
3 legislative intent in the enactment of this 2012 Act.

4

5

EMERGENCY CLAUSE

6

7 **SECTION 32.** This 2012 Act being necessary for the immediate preservation of the public
8 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect
9 on its passage.

10
