

D R A F T

SUMMARY

Requires Oregon Department of Administrative Services and Capital Projects Advisory Board to use established definitions, criteria and methods to evaluate extent of deferred maintenance on state facilities. Requires department to submit plan to Legislative Assembly to establish and maintain database of state facilities. Requires department and advisory board to set priorities for providing maintenance to state facilities.

Requires department and state agencies that own state facilities to assess condition of state facilities and provide results in format compatible with established definitions, criteria and methods. Requires department to direct personnel from state agencies in performing assessments and tracking condition of state facilities.

Requires department to prepare and deliver to Legislative Assembly and state agencies that own state facilities report that lists state facilities with deferred maintenance, recommends necessary funding levels and includes other information.

Establishes Deferred Maintenance Elimination Fund. Continuously appropriates moneys in fund to department for identified purposes. Authorizes State Treasurer to issue bonds or certificates of participation for certain purposes and to deposit proceeds into fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to deferred maintenance for state facilities; appropriating money;
3 and declaring an emergency.

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

5 **SECTION 1. Sections 2, 3, 4, 5, 6 and 7 of this 2013 Act are added**
6 **to and made a part of ORS chapter 276.**

7 **SECTION 2. As used in sections 3, 4, 5 and 6 of this 2013 Act, “state**
8 **facility” means a building, related works and grounds that the State**

1 of Oregon or a state agency owns and appurtenances, utilities and as-
2 sets necessary to carry out the functions for which the state or a state
3 agency uses the building, related works or grounds.

4 **SECTION 3.** (1) The Oregon Department of Administrative Services
5 and the Capital Projects Advisory Board established under ORS 276.227
6 shall use established definitions, criteria and methods to:

7 (a) Assess the condition of state facilities; and

8 (b) Evaluate the extent to which the State of Oregon has deferred
9 the maintenance that is necessary to protect the condition, value and
10 function of state facilities.

11 (2) The department shall submit to the Legislative Assembly by
12 January 1, 2015, a plan to establish and maintain a database that:

13 (a) Lists all state facilities and preventive maintenance schedules
14 for each facility that are necessary to protect the condition, value and
15 function of each state facility; and

16 (b) Enables a determination as to when replacing a state facility is
17 more cost-effective than performing deferred maintenance or other-
18 wise repairing the state facility.

19 (3) The department and the advisory board shall use established
20 definitions, criteria and methods, and input from state agencies, to set
21 a priority among state facilities that require maintenance as to when
22 and in which order the state facilities should receive needed mainte-
23 nance.

24 (4) After conducting assessments, making evaluations and setting
25 priorities under this section, the department and the advisory board
26 shall recommend to the Governor allocations and expenditures from
27 the Deferred Maintenance Elimination Fund for the purposes set forth
28 in this section and sections 4 and 5 of this 2013 Act.

29 **SECTION 4.** (1) The Oregon Department of Administrative Services
30 and state agencies that own state facilities, in cooperation with other
31 persons the department and the agencies deem necessary, shall assess

1 the condition of the state facilities in accordance with established de-
2 finitions, criteria and methods, and shall provide the results of the
3 assessment to the department in a format that is compatible with the
4 definitions, criteria and methods.

5 (2) The department shall direct staff from state agencies that own
6 state facilities in:

7 (a) Performing the assessments described in subsection (1) of this
8 section initially and on a continuing basis; and

9 (b) Tracking the condition of and maintenance performed on state
10 facilities as part of the state agency's daily operations.

11 SECTION 5. Every two years the Oregon Department of Adminis-
12 trative Services shall prepare and deliver to the Legislative Assembly
13 and to state agencies that own state facilities a report that:

14 (1) Lists state facilities for which the state has deferred necessary
15 maintenance;

16 (2) Specifies the priority that the department and the Capital
17 Projects Advisory Board established under ORS 276.227 have set among
18 the listed state facilities as to when and in which order the state fa-
19 cilities should receive needed maintenance;

20 (3) Lists estimated budgets for performing deferred maintenance;

21 (4) Describes the systems that state agencies that own state facili-
22 ties have in place for performing preventive maintenance;

23 (5) Recommends, in accordance with a nationally recognized stand-
24 ard maintenance and repair budgeting model that has been adjusted
25 appropriately for individual state facilities that have unusual mainte-
26 nance requirements, the amount of funding that state agencies that
27 own state facilities need to perform preventive maintenance; and

28 (6) Identifies, as of the reporting date, the state facilities for which
29 funds for maintenance have previously been requested, for which
30 funds have been approved and for which actual expenditures have been
31 made to maintain the state facilities and the amounts requested, ap-

1 proved and expended.

2 **SECTION 6. (1) The Deferred Maintenance Elimination Fund is es-**
3 **ablished, separate and distinct from the General Fund. The Deferred**
4 **Maintenance Elimination Fund consists of proceeds from bonds or**
5 **certificates of participation described in subsection (2) of this section**
6 **and any other moneys the Oregon Department of Administrative Ser-**
7 **vices receives from any source for the purposes set forth in sections**
8 **3, 4 and 5 of this 2013 Act. Interest earned on moneys in the fund shall**
9 **be credited to the fund. Moneys in the fund are continuously appro-**
10 **priated to the department for the purpose set forth in subsection (3)**
11 **of this section and for the purposes set forth in sections 3, 4 and 5 of**
12 **this 2013 Act.**

13 **(2) Subject to ORS 286A.035, the State Treasurer, at the request of**
14 **the department, may issue bonds or certificates of participation for the**
15 **purpose of maintaining state facilities in accordance with the pro-**
16 **visions of ORS 276.227 and 276.229 and sections 3, 4 and 5 of this 2013**
17 **Act. The State Treasurer shall pay into the Deferred Maintenance**
18 **Elimination Fund proceeds from the bonds or certificates of partic-**
19 **ipation and any interest realized on the proceeds, less an amount the**
20 **State Treasurer specifies for bond-related costs, including:**

21 **(a) The costs and expenses of issuing, administering and maintain-**
22 **ing the bonds or certificates of participation, such as paying or re-**
23 **deeming the bonds, paying amounts due in connection with credit**
24 **enhancements and paying the State Treasurer's or the department's**
25 **administrative costs and expenses and the costs of consultants or ad-**
26 **visors the State Treasurer or the department retains;**

27 **(b) The cost of funding bond reserves;**

28 **(c) Capitalized interest for the bonds; and**

29 **(d) Any other costs or expenses that the State Treasurer or the**
30 **Director of the Oregon Department of Administrative Services deter-**
31 **mines are necessary in connection with issuing or maintaining the**

1 **bonds or certificates of participation.**

2 **(3) The department may transfer moneys from the Deferred Main-**
3 **tenance Elimination Fund to another state agency for the state agency**
4 **to deposit into a dedicated account the state agency established under**
5 **ORS 276.285 (2).**

6 **SECTION 7. The Oregon Department of Administrative Services**
7 **may adopt rules necessary to implement sections 3, 4, 5 and 6 of this**
8 **2013 Act.**

9 **SECTION 8. This 2013 Act being necessary for the immediate pres-**
10 **ervation of the public peace, health and safety, an emergency is de-**
11 **clared to exist, and this 2013 Act takes effect on its passage.**

12