

# D R A F T

## SUMMARY

Establishes Oregon Investment Council as public corporation to be governed by board of directors and supervised by executive director. Changes name to Oregon Investment Corporation. Specifies duties, functions and powers of corporation. Transfers duties of council, and State Treasurer as investment officer, to corporation.

Establishes Oregon Investment Corporation Fund and continuously appropriates moneys in fund to corporation for expenses of corporation. Exempts corporation from certain laws regulating government entities.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to state investments; creating new provisions; amending ORS 30.260,  
3 128.316, 173.500, 192.502, 238A.050, 243.401, 243.421, 243.426, 243.472,  
4 243.474, 243.476, 243.478, 243.482, 244.045, 244.047, 244.050, 244.055, 246.590,  
5 273.413, 276.013, 276.015, 276.110, 285A.306, 285A.654, 285B.119, 286A.025,  
6 286A.145, 293.353, 293.701, 293.708, 293.711, 293.714, 293.718, 293.726,  
7 293.728, 293.733, 293.734, 293.746, 293.751, 293.771, 293.776, 293.778, 293.790,  
8 293.793, 293.796, 293.812, 293.814, 293.815, 293.817, 293.820, 294.035, 294.730,  
9 294.805, 294.810, 294.815, 294.820, 294.825, 294.831, 294.840, 294.845, 294.847,  
10 294.850, 294.855, 294.860, 294.865, 294.870, 294.875, 294.880, 294.882, 294.895,  
11 295.101, 311.701, 327.425, 348.703, 351.086, 351.695, 367.015, 390.135, 391.520,  
12 391.605, 391.800, 411.128, 426.506, 456.530, 456.535, 456.543, 468.215,  
13 468A.490, 516.070, 541.942, 561.144, 696.030 and 757.738 and sections 3, 4,  
14 5, 6 and 7, chapter 72, Oregon Laws 2012; repealing ORS 293.706, 293.713,  
15 293.716, 293.721, 293.731, 293.736, 293.741, 293.756, 293.761, 293.766, 293.780,  
16 293.822 and 293.824; appropriating money; and declaring an emergency.

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

2 **SECTION 1. Sections 2 to 9 of this 2013 Act are added to and made**  
3 **a part of ORS 293.701 to 293.820.**

4 **SECTION 2. Powers and duties of the Oregon Investment Corpo-**  
5 **ration. (1) The Oregon Investment Corporation is established as a**  
6 **public corporation. The corporation shall exercise and carry out**  
7 **statewide all the powers, rights and privileges that are expressly con-**  
8 **ferred upon the corporation, are implied by law or are incident to such**  
9 **powers. Except as provided in ORS 293.701 to 293.820, nothing in ORS**  
10 **293.701 to 293.820 is intended to affect the powers and duties of the**  
11 **State Treasurer otherwise provided by law or under the Oregon Con-**  
12 **stitution.**

13 **(2) The mission of the corporation is to invest the investment funds**  
14 **and any other moneys it is charged by law with investing.**

15 **(3) In addition to any other powers and duties granted by law, the**  
16 **corporation may:**

17 **(a) Sue and be sued in its own name.**

18 **(b) Invest and reinvest moneys in the investment funds or any**  
19 **other moneys it is charged by law with investing, and in furtherance**  
20 **of such investing may acquire, retain, manage and dispose of as in-**  
21 **vestments every kind of investment that persons of prudence, dis-**  
22 **cretion and intelligence acquire, retain, manage and dispose of for**  
23 **their own accounting.**

24 **(c) Enter into contracts and acquire, hold, own, encumber, issue,**  
25 **replace, deal in and with and dispose of real and personal property for**  
26 **its own proprietary interest.**

27 **(d) Employ persons as it determines necessary or desirable to carry**  
28 **out the mission and powers of the corporation.**

29 **(e) Enter into contracts with advisors, service providers or others**  
30 **as it determines necessary or desirable to carry out the mission and**  
31 **powers of the corporation, including but not limited to entering into**

1 **contracts with one or more persons who may, in lieu of or in addition**  
2 **to the corporation, perform discretionary investment manager or**  
3 **other functions to the extent provided in the contract.**

4 **(f) Collect the principal and interest or other income of investments**  
5 **when due and payable, and shall pay the principal and interest or**  
6 **other income, when so collected, into the appropriate fund. Except as**  
7 **otherwise provided by law, interest or other income of the funds in-**  
8 **vested for state agencies shall be paid into the General Fund as pro-**  
9 **vided in ORS 293.140 to be available for the payment of general**  
10 **governmental expenses.**

11 **(g) Exercise any shareholder or other voting rights in connection**  
12 **with an investment.**

13 **(h) For and on behalf of the Public Employees Retirement System**  
14 **and Public Employees Retirement Board, enter into group annuity**  
15 **contracts with one or more insurance companies authorized to do**  
16 **business in this state. In lieu of any investment of moneys in the**  
17 **Public Employees Retirement Fund, the corporation may make pay-**  
18 **ments from time to time under such annuity contracts using any**  
19 **moneys in that fund available for investment purposes.**

20 **(4) In the event of a default, breach or impairment of the payment**  
21 **of amounts due or other obligations related to an investment, or if the**  
22 **corporation determines it is otherwise appropriate in furtherance of**  
23 **its powers and duties, the corporation may:**

24 **(a) Institute proceedings to collect the matured principal or interest**  
25 **or other income of an investment.**

26 **(b) Accept for exchange purposes refunding bonds or other evi-**  
27 **dences of indebtedness at interest rates agreed upon by the corpo-**  
28 **ration and the obligor.**

29 **(c) Make compromises, adjustments or disposition of the matured**  
30 **or future principal or interest or other income of an investment as the**  
31 **corporation considers advisable for the purpose of protecting the**

1 moneys invested.

2 (d) File or participate in class action lawsuits or other legal pro-  
3 ceedings with corporate shareholders or other investors as the corpo-  
4 ration considers advisable for the purpose of protecting the moneys  
5 invested or otherwise benefitting invested moneys.

6 (5) Notwithstanding ORS 180.220 and 180.235, in addition to legal  
7 counsel provided by the Department of Justice or special assistant at-  
8 torneys general, the corporation may employ and be represented by its  
9 own general or special counsel in a particular matter or class of mat-  
10 ters and in related matters.

11 (6) The corporation shall follow generally accepted accounting  
12 practices, record the individual amounts and the totals of all invest-  
13 ments and provide to the officer or body controlling and administering  
14 the invested moneys any information necessary for financial reporting  
15 required by law. The corporation shall separately identify investments  
16 held in the Oregon Growth Account established in ORS 348.702 and the  
17 Oregon Resource and Technology Development Subaccount established  
18 in ORS 348.706 as part of the information provided on the Education  
19 Stability Fund.

20 SECTION 3. Board of directors. (1) The Governor shall appoint four  
21 voting members, subject to Senate confirmation in the manner pro-  
22 vided in ORS 171.562 and 171.565, to a board of directors for the Oregon  
23 Investment Corporation. The directors appointed by the Governor  
24 must be qualified by training and experience in the field of investment  
25 or finance. The term of office of each appointed member of the board  
26 is four years, but each appointed director serves at the pleasure of the  
27 Governor and may be removed from office with or without cause.

28 (2) The Governor may appoint a director under subsection (1) of this  
29 section who is also a member of the Public Employees Retirement  
30 Board appointed under ORS 238.640 (4). Except as provided in this  
31 subsection, members appointed by the Governor may not hold any

1 other public office or public employment.

2 (3) The State Treasurer shall be the fifth voting member of the  
3 board of directors.

4 (4) The Director of the Public Employees Retirement System shall  
5 be an ex officio member of the board with no voting power.

6 (5) Each director appointed by the Governor shall hold office until  
7 a successor is appointed or until an earlier resignation or removal.  
8 Before the expiration of the term of an appointed member, the Gov-  
9 ernor shall appoint a successor. A member is eligible for reappoint-  
10 ment.

11 (6) Any director appointed by the Governor may resign at any time  
12 upon written notice to the Governor. A resignation takes effect at the  
13 time specified in the notice. If a time is not specified in the notice, the  
14 resignation is effective at the time the notice is received by the Gov-  
15 ernor. Acceptance by the Governor of a resignation is not necessary  
16 to make the resignation effective.

17 (7) Any vacancy in the office of an appointed director shall be filled  
18 by appointment by the Governor for the unexpired term. An appointee  
19 under this subsection may serve as a temporary director until con-  
20 firmed by the Senate in the manner provided in ORS 171.562 and  
21 171.565. If a temporary appointee is not confirmed by the Senate, the  
22 appointee may continue to serve until another person is appointed by  
23 the Governor and approved by the Senate.

24 SECTION 4. Powers of the board of directors. (1) The board of di-  
25 rectors of the Oregon Investment Corporation shall formulate policies  
26 for the investment and reinvestment of moneys invested by the cor-  
27 poration and for the acquisition, retention, management and disposi-  
28 tion of such investments with the objective of making the moneys as  
29 productive as possible, subject to applicable fiduciary standards, in-  
30 cluding but not limited to ORS 238.660, 238A.025 and 293.726. The board,  
31 from time to time, shall review the policies and make changes as it

1 considers necessary or desirable.

2 (2) The board shall adopt personnel policies, subject to ORS 236.605  
3 to 236.640, for employees of the corporation who are transferred from  
4 the office of the State Treasurer or from any other state agency.

5 (3) The board may elect to provide for participation in a health  
6 benefit plan available to state employees pursuant to ORS 243.105 to  
7 243.285 and may elect to participate in the state deferred compensation  
8 plan established under ORS 243.401 to 243.507. If the board so elects,  
9 employees of the corporation shall be considered eligible employees for  
10 purposes of ORS 243.105 to 243.285 and eligible state employees for  
11 purposes of ORS 243.401 to 243.507.

12 (4) The board shall adopt a code of ethics applicable to the corpo-  
13 ration that is based on the best practices in the investment industry  
14 and reflects the unique position of trust and loyalty in which the  
15 corporation's employees are placed in the investment of public and  
16 private moneys. At a minimum, the code shall require the  
17 corporation's employees, in the conduct of the duties of their employ-  
18 ment, to:

19 (a) Act in a professional and ethical manner;

20 (b) Act for the benefit of the State of Oregon and the public and  
21 private beneficiaries of the funds entrusted to the corporation for in-  
22 vestment;

23 (c) Act with independence and objectivity;

24 (d) Act with skill, competence and diligence; and

25 (e) Communicate with state agencies, public bodies and others for  
26 whom moneys are invested in a timely and accurate manner, including  
27 any disclosures required by law or best industry practices.

28 (5)(a) The board shall adopt a budget on a biennial basis using  
29 classifications of expenditures and revenues required by generally ac-  
30 cepted accounting principles applicable to governmental entities. The  
31 budget is not subject to review and approval by the Legislative As-

1 **sembly or to modification by the Emergency Board, by the Legislative**  
2 **Assembly or through the allotment process. The board is not required**  
3 **to seek expenditure limitation approval from the Legislative Assembly**  
4 **to spend any available moneys.**

5 **(b) The budget shall be adopted at a regularly scheduled public**  
6 **meeting of the board. The board may modify a budget only after a**  
7 **public meeting. The board must give notice of the meeting to any in-**  
8 **terested parties in accordance with the provisions of ORS 192.610 to**  
9 **192.690.**

10 **(c) The board shall follow generally accepted accounting principles**  
11 **and keep financial and statistical information as necessary to com-**  
12 **pletely and accurately disclose the financial condition and financial**  
13 **operations of the board.**

14 **(d) The board shall prepare an annual financial statement of board**  
15 **revenues and expenses and shall make the statement available for**  
16 **public review. The board shall provide a copy of the statement to the**  
17 **Governor and the Legislative Assembly not later than the 90th day**  
18 **after the end of the state fiscal year.**

19 **(6) In carrying out the duties, functions and powers of the corpo-**  
20 **ration, the board may contract with any state agency the board con-**  
21 **siders appropriate, including but not limited to the office of the State**  
22 **Treasurer. A state agency may charge the corporation reasonable fees**  
23 **and expenses in connection with providing personnel, equipment, fa-**  
24 **cilities, space and other support to the corporation.**

25 **(7) In addition to the services provided under ORS 293.820 and**  
26 **294.805 to 294.895, the corporation may provide services to other gov-**  
27 **ernmental entities for a reasonable fee intended to cover the**  
28 **corporation's expenses in connection with the services.**

29 **SECTION 5. Criminal records check; fingerprints required; persons**  
30 **subject to requirement. For the purpose of requesting a state or na-**  
31 **tionwide criminal records check under ORS 181.534, the Oregon In-**

1 **vestment Corporation may require the fingerprints of a person who:**

2 **(1) Is employed by or applying for employment with the corporation;**

3 **or**

4 **(2) Is, or will be, providing services to the corporation in a position:**

5 **(a) In which the person is providing information technology ser-**  
6 **vices and has control over, or access to, information technology sys-**  
7 **tems that would allow the person to harm the information technology**  
8 **systems or the information contained in the systems;**

9 **(b) In which the person has access to information that is confiden-**  
10 **tial or for which state or federal laws, rules or regulations prohibit**  
11 **disclosure;**

12 **(c) That has payroll or investment functions or in which the person**  
13 **has responsibility for receiving, receipting or depositing money, nego-**  
14 **tiable instruments or securities, or other financial transactions or for**  
15 **purchasing or selling property or otherwise has access to invested**  
16 **moneys;**

17 **(d) That has mailroom duties as a primary duty or job function;**

18 **(e) In which the person has responsibility for auditing the corpo-**  
19 **ration;**

20 **(f) That has personnel or human resources functions as a primary**  
21 **responsibility;**

22 **(g) In which the person has access to bank routing numbers, Social**  
23 **Security numbers or electronic funds transfer instructions or num-**  
24 **bers; or**

25 **(h) In which the person has access to tax or financial information**  
26 **about individuals or business entities.**

27 **SECTION 6. Executive director; appointment; functions. (1) The**  
28 **Oregon Investment Corporation shall be under the supervision of an**  
29 **executive director appointed by the board of directors of the corpo-**  
30 **ration. The executive director serves at the pleasure of the board and**  
31 **shall be paid a salary as prescribed by the board.**



1 (2) Before assuming the duties of the office, the executive director  
2 shall:

3 (a) Give to the state a fidelity bond, with one or more corporate  
4 sureties authorized to do business in this state, in a penal sum pre-  
5 scribed by the Director of the Oregon Department of Administrative  
6 Services, but not less than \$50,000. The premium for the bond shall be  
7 paid by the corporation.

8 (b) Subscribe to an oath that the executive director faithfully and  
9 impartially will discharge the duties of the office and that the execu-  
10 tive director will support the Constitution of the United States and the  
11 Constitution of the State of Oregon. The executive director shall file  
12 a copy of the signed oath with the Secretary of State.

13 (3) The executive director has the powers necessary to carry out the  
14 duties of the corporation, subject to policy direction of the board, in-  
15 cluding but not limited to the power to employ, supervise and termi-  
16 nate the employment of staff as the executive director considers  
17 necessary. The executive director shall prescribe the duties and fix the  
18 compensation of the corporation's employees, in accordance with the  
19 personnel policies adopted by the board.

20 SECTION 7. Employees of the corporation. (1) Employees of the  
21 Oregon Investment Corporation shall be considered employees for  
22 purposes of participation in the Public Employees Retirement System  
23 under ORS chapter 238 and eligible employees for purposes of partic-  
24 ipation in the Oregon Public Service Retirement Plan under ORS  
25 chapter 238A.

26 (2) Employees of the corporation may participate in collective bar-  
27 gaining in accordance with ORS 243.650 to 243.782.

28 (3) Except as otherwise provided by law, employees of the corpo-  
29 ration are eligible to receive the same benefits as state employees and  
30 are entitled to retain their State of Oregon hire dates, transfer rights  
31 and job bidding rights, all without loss of seniority, and to the direct

1 transfer of all accumulated state agency leaves.

2 **SECTION 8. Oregon Investment Corporation exempt from certain**  
3 **laws.** (1) Except as otherwise provided by law, the provisions of ORS  
4 279.835 to 279.855 and ORS chapters 182, 240, 270, 273, 276, 279A, 279B,  
5 279C, 282, 283, 291, 292 and 293 do not apply to the Oregon Investment  
6 Corporation.

7 (2) Notwithstanding subsection (1) of this section, ORS 182.100,  
8 182.109, 240.167, 279A.100, 292.043, 292.044, 293.115, 293.117, 293.130, 293.169,  
9 293.171, 293.205 to 293.225, 293.250, 293.265 to 293.280, 293.285, 293.295,  
10 293.321, 293.353, 293.375, 293.406, 293.465 to 293.485, 293.490, 293.495,  
11 293.525, 293.701 to 293.820, 293.875, 293.880 and 293.990 apply to the cor-  
12 poration.

13 **SECTION 9.** The Oregon Investment Corporation Fund is estab-  
14 lished in the State Treasury, separate and distinct from the General  
15 Fund. Moneys deducted under ORS 293.718 and 294.865 shall be paid to  
16 the Oregon Investment Corporation Fund. Interest earned by the fund  
17 shall be credited to the fund. Moneys in the fund are continuously  
18 appropriated to the Oregon Investment Corporation for the payment  
19 of expenses of the corporation.

20 **SECTION 10.** ORS 293.701 is amended to read:

21 293.701. As used in ORS 293.701 to 293.820, unless the context requires  
22 otherwise:

23 (1) [*Council*] **“Corporation”** means the Oregon Investment [*Council*]  
24 Corporation.

25 (2) “Investment funds” means:

26 (a) Public Employees Retirement Fund referred to in ORS 238.660;

27 (b) Industrial Accident Fund referred to in ORS 656.632;

28 (c) Consumer and Business Services Fund referred to in ORS 705.145;

29 (d) Employment Department Special Administrative Fund referred to in  
30 ORS 657.822;

31 (e) Insurance Fund referred to in ORS 278.425;

- 1 (f) Funds under the control and administration of the Department of State  
2 Lands;
- 3 (g) Oregon Student Assistance Fund referred to in ORS 348.570;
- 4 (h) Moneys made available to the Commission for the Blind under ORS  
5 346.270 and 346.540 or rules adopted thereunder;
- 6 (i) Forest Development Revenue Bond Fund referred to in ORS 530.147  
7 and State Forestry General Obligation Bond Fund referred to in ORS 530.280;
- 8 (j) Oregon War Veterans' Fund referred to in ORS 407.495;
- 9 (k) Oregon War Veterans' Bond Sinking Account referred to in ORS  
10 407.515;
- 11 (L) World War II Veterans' Compensation Fund;
- 12 (m) World War II Veterans' Bond Sinking Fund;
- 13 (n) Funds in the hands of the State Treasurer that are not required to  
14 meet current demands and that are invested in the Oregon Short Term Fund  
15 established under ORS 293.728 or in another commingled investment vehicle;
- 16 (o) State funds that are not subject to the control and administration of  
17 officers or bodies specifically designated by law;
- 18 (p) Funds derived from the sale of state bonds;
- 19 (q) Social Security Revolving Account referred to in ORS 237.490;
- 20 (r) Oregon University System Fund established by ORS 351.506 and the  
21 Higher Education Donation Fund established by ORS 351.130;
- 22 (s) Local Government Employer Benefit Trust Fund referred to in ORS  
23 657.513;
- 24 (t) Elderly and Disabled Special Transportation Fund established by ORS  
25 391.800;
- 26 (u) Education Stability Fund established by ORS 348.696;
- 27 (v) Deferred Compensation Fund established under ORS 243.411; and
- 28 (w) Trust for Cultural Development Account established under ORS  
29 359.405.

30 [(3) "Investment officer" means the State Treasurer in the capacity as in-  
31 vestment officer for the council.]

1        **SECTION 11.** ORS 293.711 is amended to read:

2        293.711. (1) Except as provided in subsection (2) of this section, a member  
3 of the [*Oregon Investment Council*] **board of directors of the Oregon In-**  
4 **vestment Corporation** is entitled to compensation and expenses as provided  
5 in ORS 292.495.

6        (2) A member of the [*council*] **board** who is also a member of the Public  
7 Employees Retirement Board is entitled to compensation and expenses as  
8 provided in ORS 238.640 (7) and (8).

9        (3) The [*council*] **board** shall select one of its members as chairperson, for  
10 a term and with powers and duties necessary for the performance of the  
11 functions of the office as the [*council*] **board** determines.

12        (4) A person may not serve as chairperson of the [*council*] **board** for more  
13 than [*four*] **six** years in any 12-year period.

14        **SECTION 12.** ORS 293.714 is amended to read:

15        293.714. (1) Notwithstanding ORS 192.650 (1) and (2), full sound recordings  
16 shall be made of every meeting of the [*Oregon Investment Council*] **board of**  
17 **directors of the Oregon Investment Corporation.** The full sound re-  
18 cordings shall be produced on equipment selected by the [*Oregon Investment*  
19 *Council*] **board** for compatibility with equipment for reproduction by the  
20 State Archives.

21        (2) The [*council*] **board** shall maintain a written log of each sound re-  
22 cording that gives a true reflection of the matters discussed at the meeting  
23 and where those matters are found on the sound recording.

24        (3) Notwithstanding ORS 192.650 (1), the [*council*] **board** shall make the  
25 full sound recording and written log of each sound recording of each meeting  
26 available to the public prior to the next regularly scheduled meeting of the  
27 [*council*] **board.**

28        **SECTION 13.** ORS 293.718 is amended to read:

29        293.718. As payment for expenses of the [*investment officer*] **Oregon In-**  
30 **vestment Corporation,** the [*State Treasurer*] **corporation** may deduct  
31 [*monthly*] **each month** a maximum of 0.25 basis points of the most recent

1 market value of assets [*under management for each of the investment funds*]  
 2 **invested by the corporation.** However, for the funds described in ORS  
 3 293.701 (2)(n), a maximum of 0.435 basis points may be deducted [*monthly*]  
 4 **each month.** [*Amounts so deducted shall be deposited into the Miscellaneous*  
 5 *Receipts Account established in the General Fund for the State Treasurer, and*  
 6 *are continuously appropriated for payment of the expenses of the State Treas-*  
 7 *urer as investment officer.] **The corporation shall deposit amounts de-**  
 8 **ducted under this section in the Oregon Investment Corporation Fund**  
 9 **established under section 9 of this 2013 Act.***

10 **SECTION 14.** ORS 293.726 is amended to read:

11 293.726. (1) [*The investment funds shall be invested and the investments of*  
 12 *those funds managed as]* **The Oregon Investment Corporation shall invest**  
 13 **the investment funds and any other moneys the corporation is charged**  
 14 **by law with investing. The corporation shall manage the investments**  
 15 **as a prudent investor would do, under the circumstances then prevailing and**  
 16 **in light of the purposes, terms, distribution requirements and laws governing**  
 17 **each investment fund or other moneys.**

18 (2) The standard stated in subsection (1) of this section requires the ex-  
 19 ercise of reasonable care, skill and caution, and is to be applied to invest-  
 20 ments not in isolation but in the context of [*each investment fund's*] **the**  
 21 **investment portfolio of each investment fund or other moneys** and as a  
 22 part of an overall investment strategy, which should incorporate risk and  
 23 return objectives reasonably suitable to the particular investment fund **or**  
 24 **other moneys.**

25 (3) In making and implementing investment decisions, the [*Oregon In-*  
 26 *vestment Council and the investment officer have]* **corporation has** a duty to  
 27 diversify the investments of the investment funds **or other moneys** unless,  
 28 under the circumstances, it is not prudent to do so.

29 (4) In addition to the duties stated in subsection (3) of this section, the  
 30 [*council and the investment officer*] **employees and the board of directors**  
 31 **of the corporation** must:

1 (a) Conform to the fundamental fiduciary duties of loyalty and impar-  
2 tiality;

3 (b) Act with prudence in deciding whether and how to delegate authority  
4 and in the selection and supervision of agents; and

5 (c) Incur only costs that are reasonable in amount and appropriate to the  
6 investment responsibilities imposed by law.

7 (5) The duties [*of the council and the investment officer under*] **described**  
8 **in** this section are subject to contrary provisions of privately created public  
9 trusts the assets of which by law are made investment funds **or are other-**  
10 **wise invested by the corporation.** Within the limitations of the standard  
11 stated in subsection (1) of this section and subject to subsection (6) of this  
12 section, there may be acquired, retained, managed and disposed of as in-  
13 vestments of the investment funds **or other moneys** every kind of invest-  
14 ment [*which*] **that** persons of prudence, discretion and intelligence acquire,  
15 retain, manage and dispose of for their own account.

16 (6) Notwithstanding subsection (1) of this section, not more than 50 per-  
17 cent of the moneys contributed to the Public Employees Retirement Fund or  
18 the Industrial Accident Fund may be invested in common stock, and not  
19 more than 65 percent of the moneys contributed to the other trust and  
20 endowment funds managed by the Oregon Investment [*Council or the State*  
21 *Treasurer*] **Corporation** may be invested in common stock.

22 (7) Subject to the standards set forth in this section, moneys held in the  
23 Deferred Compensation Fund may be invested in the stock of any company,  
24 association or corporation, including but not limited to shares of a mutual  
25 fund. Investment of moneys in the Deferred Compensation Fund is not sub-  
26 ject to the limitation imposed by subsection (6) of this section.

27 **SECTION 15.** ORS 293.728 is amended to read:

28 293.728. (1) The Oregon Short Term Fund is established in the State  
29 Treasury as a commingled investment vehicle for investment funds and the  
30 moneys described in subsection (2) of this section. Interest earned by the  
31 Oregon Short Term Fund shall be credited to the participating investor funds

1 or accounts in the fund in proportion to the amount invested.

2 (2) Unless a federal law, court order, settlement or similar agreement or  
3 business practice requires otherwise, moneys received by the State Treasurer  
4 that may not be discretely invested as provided in ORS 293.723 shall be de-  
5 posited in the fund. Moneys that may be discretely invested as provided in  
6 ORS 293.723 may be deposited in the fund.

7 (3) Moneys in the fund may be transferred as provided in ORS 293.205 to  
8 293.225. The [*State Treasurer*] **executive director of the Oregon Invest-**  
9 **ment Corporation** is the officer in charge of the fund for purposes of ORS  
10 293.220 and shall determine the interest rate to be charged until the moneys  
11 are retransferred to the fund. The interest rate may not be less than the rate  
12 specified in ORS 293.220.

13 **SECTION 16.** ORS 293.733 is amended to read:

14 293.733. (1) In making and implementing investment decisions related to  
15 venture capital, the [*Oregon Investment Council and the investment officer*  
16 *have a duty to*] **Oregon Investment Corporation must** look first at Oregon  
17 opportunities for diversification unless, under the circumstances, it is not  
18 prudent to do so.

19 (2) At any given time, the [*council*] **corporation** shall have at least \$100  
20 million in venture capital investments in Oregon unless, under the circum-  
21 stances, it is not prudent to do so.

22 (3) As used in this section:

23 (a) “Emerging growth business” has the meaning given that term in ORS  
24 348.701.

25 (b) “Venture capital” includes but is not limited to emerging growth  
26 businesses.

27 **SECTION 17.** ORS 293.733, as amended by section 23, chapter 90, Oregon  
28 Laws 2012, is amended to read:

29 293.733. (1) In making and implementing investment decisions related to  
30 venture capital, the [*Oregon Investment Council and the investment officer*  
31 *have a duty to*] **Oregon Investment Corporation must** look first at Oregon

1 opportunities for diversification unless, under the circumstances, it is not  
2 prudent to do so.

3 (2) At any given time, the [council] **corporation** shall have at least \$100  
4 million in venture capital investments in Oregon unless, under the circum-  
5 stances, it is not prudent to do so.

6 (3) As used in this section:

7 (a) "Emerging growth business" means an individual or group of individ-  
8 uals or a new or small company, including but not limited to any new or  
9 small partnership, limited liability company, corporation, firm, association  
10 or other business entity, that has the capacity, upon obtaining appropriate  
11 capital, to generate significant high-skill, high-wage employment.

12 (b) "Venture capital" includes but is not limited to emerging growth  
13 businesses.

14 **SECTION 18.** ORS 293.734 is amended to read:

15 293.734. The Oregon Investment [Council] **Corporation** shall submit an  
16 annual report to the **Governor, the** Speaker of the House of Representatives  
17 and the President of the Senate detailing the investments and commitments  
18 made by the [council] **corporation** in accordance with ORS 293.733.

19 **SECTION 19.** ORS 293.746 is amended to read:

20 293.746. [(1)] In the acquisition or disposition of bonds with which ap-  
21 proving legal opinions ordinarily are furnished, the [investment officer]  
22 **Oregon Investment Corporation** may require an original or certified copy  
23 of the written opinion of a reputable bond attorney or attorneys, or the  
24 written opinion of the Attorney General, certifying to the legality of the  
25 bonds.

26 [(2) *The Oregon Investment Council may arrange for the furnishing to the*  
27 *investment officer of investment counseling services. The furnishing and ac-*  
28 *quisition of those services are not subject to the State Personnel Relations Law*  
29 *or ORS 279A.140.]*

30 [(3) *The investment officer, with the approval of the council, may arrange*  
31 *for services with respect to mortgages in which moneys in the investment funds*



1 *are invested. Those services shall be paid for out of the gross interest of the*  
 2 *mortgages with respect to which the services are furnished, and the net interest*  
 3 *of the mortgages after that payment shall be considered income of the invest-*  
 4 *ment funds. The furnishing and acquisition of those services are not subject*  
 5 *to the State Personnel Relations Law or ORS 279A.140.]*

6 **SECTION 20.** ORS 293.751 is amended to read:

7 293.751. [(1) Except as provided in [ORS 293.741 and this subsection] **this**  
 8 **section**, all instruments of title of all investments of the investment funds  
 9 **or any other moneys the Oregon Investment Corporation is charged**  
 10 **by law with investing** shall remain in the custody of the [*investment officer.*  
 11 *The investment officer*] **corporation. The corporation** may deposit **instru-**  
 12 **ments of title** with one or more custodial agents or banks [*those instruments*  
 13 *of title that the State Treasurer considers advisable*], to be held in safekeeping  
 14 by the agents or banks for collection of the principal and interest or other  
 15 income, or of the proceeds of sale or maturity. For purposes of this section,  
 16 instruments of title [*of investments of the investment funds*] may include such  
 17 evidence of title as the [*investment officer shall consider*] **corporation con-**  
 18 **siders** secure and consistent with modern investment, banking and commer-  
 19 cial practices, and may include book entry and automated recordation of  
 20 such title.

21 [(2) *Except as provided in ORS 293.741 and 293.746 (3) and subsections (1)*  
 22 *and (3) of this section, the investment officer shall collect the principal and*  
 23 *interest or other income of investments of the investment funds, title of which*  
 24 *is in the investment officer's custody, when due and payable, and shall pay the*  
 25 *principal and interest or other income, when so collected, into the appropriate*  
 26 *fund. Except as otherwise provided by law, interest or other income of invest-*  
 27 *ments of funds in the hands of the State Treasurer that are not required to*  
 28 *meet current demands shall be paid into the General Fund to be available for*  
 29 *the payment of general governmental expenses.]*

30 [(3) *In the event of default in the payment of principal or interest or other*  
 31 *income of any investment of the investment funds, the investment officer, with*

1 *the approval of the Oregon Investment Council, may:]*

2 *[(a) Institute the proper proceedings to collect the matured principal or in-*  
3 *terest or other income.]*

4 *[(b) Accept for exchange purposes refunding bonds or other evidences of*  
5 *indebtedness at interest rates to be agreed upon by the investment officer and*  
6 *obligor.]*

7 *[(c) Make compromises, adjustments or disposition of the matured principal*  
8 *or interest or other income as the investment officer considers advisable for the*  
9 *purpose of protecting the moneys invested.]*

10 *[(d) Make compromises or adjustments as to future payments of principal*  
11 *or interest or other income as the investment officer considers advisable for the*  
12 *purposes of protecting the moneys invested.]*

13 **SECTION 21.** ORS 293.771 is amended to read:

14 293.771. *[The Oregon Investment Council shall report to the Governor and*  
15 *Legislative Assembly on the investment funds investment program at each*  
16 *odd-numbered year regular session of the Legislative Assembly and at other*  
17 *times as the council considers in the public interest.]* **The Oregon Invest-**  
18 **ment Corporation shall report to the Governor and Legislative As-**  
19 **sembly at each odd-numbered year regular session of the Legislative**  
20 **Assembly. The report shall describe:**

21 **(1) The investment funds investment program of the corporation;**

22 **(2) The investment of any other moneys the corporation is charged**  
23 **by law with investing; and**

24 **(3) The investment policies of the corporation.**

25 **SECTION 22.** ORS 293.776 is amended to read:

26 293.776. **(1)** *[The Oregon Investment Council shall provide for an examina-*  
27 *tion and audit of the investment funds investment program, and for submission*  
28 *to the council of a report based on the examination and audit, at least once*  
29 *every four years and at other times as the council may require.]* **The Oregon**  
30 **Investment Corporation shall provide for an annual examination and**  
31 **audit of:**

1 (a) **The investment funds investment program of the corporation;**

2 (b) **The investment of any other moneys the corporation is charged**  
3 **by law with investing; and**

4 (c) **The investment policies of the corporation.**

5 (2) **The corporation shall submit an annual report based on the ex-**  
6 **amination and audit to the State Treasurer.**

7 (3) The examination and audit, and the report based thereon, shall include  
8 an evaluation of current [*investment funds*] investment policies and practices  
9 and of specific investments [*of the investment funds*] in relation to the ob-  
10 jective set forth in [*ORS 293.721*] **section 4 of this 2013 Act**, the standard  
11 set forth in ORS 293.726 and other criteria as may be appropriate, and rec-  
12 ommendations relating to [*the investment funds investment*] **the** policies and  
13 practices [*and to specific investments of the investment funds*] as are consid-  
14 ered necessary or desirable.

15 (4) The [*council*] **corporation** shall make copies of the report or a sum-  
16 mary thereof available for distribution to interested persons.

17 **SECTION 23.** ORS 293.778 is amended to read:

18 293.778. (1) The [*investment officer singly, or jointly with other public or*  
19 *institutional investors,*] **board of directors of the Oregon Investment**  
20 **Corporation** may authorize establishment of investment holding companies,  
21 which may be corporations, partnerships or limited liability companies, and  
22 placement of investment funds, **other moneys the corporation is charged**  
23 **by law with investing** or investments in such companies, when it is appro-  
24 priate to do so under the investment standard prescribed in ORS 293.726. An  
25 investment holding company authorized by this section has the powers and  
26 authority granted by the laws of the jurisdiction in which the company is  
27 established.

28 (2) Any person qualified under the laws of the jurisdiction in which an  
29 investment holding company is established may serve as an officer, director,  
30 member or manager of the company. Officers and employees of the office of  
31 the State Treasurer **or the corporation** may serve as directors, officers and

1 members of investment holding companies authorized by this section. How-  
 2 ever, if a conflict arises between the duties of the officer or employee of the  
 3 office of the State Treasurer **or the corporation** under state law and the  
 4 duties of the officer or employee of the office of the State Treasurer **or the**  
 5 **corporation** as a director, officer or member of the investment holding  
 6 company, the officer or employee shall abstain from acting on behalf of the  
 7 company. If the conflict cannot be avoided by abstention, the officer or em-  
 8 ployee shall immediately resign from the company.

9 **SECTION 24.** ORS 293.790 is amended to read:

10 293.790. (1) Under authority of [*section 6,*] Article XI, **section 6**, of the  
 11 Oregon Constitution, the [*state*] **Oregon Investment Corporation**, subject  
 12 to subsection (2) of this section, may hold and dispose of the stock of any  
 13 company, association or corporation, including stock already received, that  
 14 is donated or bequeathed. [*and the state,*] Acting by and through the State  
 15 Board of Higher Education, subject to subsection (2) of this section, **the**  
 16 **corporation** may invest and reinvest in the stock of any company, associ-  
 17 ation or corporation, any funds or moneys of the State Board of Higher Ed-  
 18 ucation that:

19 (a) Are or have been donated or bequeathed for higher education pur-  
 20 poses;

21 (b) Are the proceeds from the disposition of stock that is donated or  
 22 bequeathed for higher education purposes, including stock already received;  
 23 or

24 (c) Are dividends paid with respect to stock that is donated or bequeathed  
 25 for higher education purposes, including stock already received.

26 (2) The [*state, including any of its agencies having control of, or authority*  
 27 *to invest and reinvest in, any stock described in subsection (1) of this*  
 28 *section,*] **corporation**, in holding, disposing of or investing and reinvesting  
 29 in [*such*] stock **described in subsection (1) of this section**, [*shall be*] **is**  
 30 governed by ORS 130.750 to 130.775, notwithstanding the date of acquisition  
 31 of [*such*] **the** stock. Moneys received from the disposition of [*such*] **the** stock,

1 including dividends, shall be maintained separate and distinct from the  
2 General Fund, and those moneys, including interest earned thereon, are ap-  
3 propriated continuously for the purposes of the donation or bequest and of  
4 the investments and reinvestments authorized by subsection (1) of this sec-  
5 tion and by ORS 351.130. Except as specifically authorized by law, the state  
6 or any of its agencies may not purchase stock.

7 (3)(a) This section does not apply to investment and reinvestment of  
8 moneys in the Public Employees Retirement Fund, the Industrial Accident  
9 Fund, the Deferred Compensation Fund and the Education Stability Fund or  
10 to acquisition, retention, management and disposition of investments of those  
11 funds as provided in ORS 293.701 to 293.820.

12 (b) This section does not apply to investment or reinvestment of moneys  
13 or stock resulting from the holding and disposing of stock by the state as  
14 allowed under [*section 6 (2),*] Article XI, **section 6 (2)**, of the Oregon Con-  
15 stitution.

16 **SECTION 25.** ORS 293.793 is amended to read:

17 293.793. (1) As used in this section:

18 (a) “Related agency” has the meaning given that term in ORS 286A.001.

19 (b) “State government” has the meaning given that term in ORS 174.111.

20 (2) If the [*State Treasurer, acting as investment officer,*] **Oregon Invest-**  
21 **ment Corporation** or a trustee, investing moneys for a related agency,  
22 purchases or acquires bonds issued by state government, the purchase or  
23 acquisition does not cancel or extinguish the bonds.

24 **SECTION 26.** ORS 293.796 is amended to read:

25 293.796. (1) The Legislative Assembly finds that:

26 (a) The availability of venture capital for the start-up and subsequent  
27 expansion of new businesses is critical to the continued growth and devel-  
28 opment of the economy of Oregon.

29 (b) There exists an estimated gap of between \$100 million and \$200 million  
30 between available venture capital resources and the need of Oregon busi-  
31 nesses for such resources.

1 (c) Investments in start-up and expanding businesses, in minority or  
2 women business enterprises and in emerging growth businesses can produce  
3 substantial positive returns for long-term investors.

4 (d) Pension funds managed by the [*Oregon Investment Council*] **Oregon**  
5 **Investment Corporation** constitute a major financial resource of the State  
6 of Oregon, and that such funds may be prudently invested in start-up and  
7 emerging growth businesses in this state under policies established by the  
8 [*Oregon Investment Council*] **board of directors of the corporation.**

9 (2) As used in this section:

10 (a) “Emerging growth business” has the meaning given that term in ORS  
11 348.701.

12 (b) “Minority or women business enterprise” has the meaning given that  
13 term in ORS 200.005.

14 **SECTION 27.** ORS 293.796, as amended by section 25, chapter 90, Oregon  
15 Laws 2012, is amended to read:

16 293.796. (1) The Legislative Assembly finds that:

17 (a) The availability of venture capital for the start-up and subsequent  
18 expansion of new businesses is critical to the continued growth and devel-  
19 opment of the economy of Oregon.

20 (b) There exists an estimated gap of between \$100 million and \$200 million  
21 between available venture capital resources and the need of Oregon busi-  
22 nesses for such resources.

23 (c) Investments in start-up and expanding businesses, in minority or  
24 women business enterprises and in emerging growth businesses can produce  
25 substantial positive returns for long-term investors.

26 (d) Pension funds managed by the [*Oregon Investment Council*] **Oregon**  
27 **Investment Corporation** constitute a major financial resource of the State  
28 of Oregon, and that such funds may be prudently invested in start-up and  
29 emerging growth businesses in this state under policies established by the  
30 [*Oregon Investment Council*] **board of directors of the corporation.**

31 (2) As used in this section:

1 (a) “Emerging growth business” means an individual or group of individ-  
2 uals or a new or small company, including but not limited to any new or  
3 small partnership, limited liability company, corporation, firm, association  
4 or other business entity, that has the capacity, upon obtaining appropriate  
5 capital, to generate significant high-skill, high-wage employment.

6 (b) “Minority or women business enterprise” has the meaning given that  
7 term in ORS 200.005.

8 **SECTION 28.** ORS 293.812 is amended to read:

9 293.812. As used in ORS 293.811 to 293.817:

10 (1) “Company” means any sole proprietorship, organization, firm, associ-  
11 ation, corporation, utility, partnership, venture, public franchise, franchisor,  
12 franchisee or its wholly owned subsidiary that exists for profit-making pur-  
13 poses or otherwise to secure economic advantage.

14 (2) “Doing business” means maintaining equipment, facilities, personnel  
15 or any other apparatus of business or commerce in Sudan, including the  
16 ownership or possession of real or personal property located in Sudan.

17 (3) “Investment” or “invest” means the commitment of funds or other as-  
18 sets to a company, including a loan or other extension of credit made to that  
19 company, or the ownership or control of a share or interest in that company  
20 or of a bond or other debt instrument issued by that company.

21 (4) “Subject investment funds” means:

22 (a) The Public Employees Retirement Fund referred to in ORS 238.660;

23 (b) The Industrial Accident Fund referred to in ORS 656.632;

24 (c) The Common School Fund referred to in ORS 327.405;

25 (d) The Oregon War Veterans’ Fund referred to in ORS 407.495; and

26 (e) Investment funds of the State Board of Higher Education available for  
27 investment or reinvestment by the [*Oregon Investment Council*] **Oregon In-**  
28 **vestment Corporation.**

29 (5) “Sudan” means the Republic of the Sudan and any territory under the  
30 administration, legal or illegal, of Sudan, including but not limited to the  
31 Darfur region.

1        **SECTION 29.** ORS 293.814 is amended to read:

2        293.814. (1) The [*Oregon Investment Council and the State Treasurer, in the*  
 3        *State Treasurer's role as investment officer for the council,*] **Oregon Invest-**  
 4        **ment Corporation** shall act reasonably and in a manner consistent with **the**  
 5        **investment objective and standards set forth in section 4 of this 2013**  
 6        **Act and** ORS [*293.721 and*] 293.726 to try to ensure that subject investment  
 7        funds are not invested in any company that the [*council*] **corporation** knows  
 8        is doing business in Sudan for as long as the Sudanese government's cam-  
 9        paign of human rights violations, atrocities or genocide continues in Sudan.

10        (2) Divestment and reinvestment of subject investment funds under the  
 11        provisions of this section shall be accomplished by the [*Oregon Investment*  
 12        *Council and the State Treasurer*] **corporation** without monetary loss to the  
 13        funds through reasonable, prudent and productive investments in companies  
 14        and institutions generating returns that are comparable to the returns gen-  
 15        erated by the companies subject to the divestment.

16        **SECTION 30.** ORS 293.815 is amended to read:

17        293.815. (1) The [*Oregon Investment Council and the State Treasurer, in*  
 18        *the State Treasurer's role as investment officer for the council,*] **Oregon In-**  
 19        **vestment Corporation** shall make reasonable efforts to investigate all  
 20        companies in which the [*council*] **corporation** has invested subject invest-  
 21        ment funds to determine whether any of those companies are doing business  
 22        in Sudan. If the [*State Treasurer*] **corporation** determines that a company  
 23        is doing business in Sudan, the [*State Treasurer*] **corporation** shall give no-  
 24        tice to the company that the [*council*] **corporation** will withdraw subject  
 25        investment funds that are invested in the company as provided in ORS  
 26        293.814 for as long as the company does business in Sudan and the Sudanese  
 27        government's campaign of human rights violations, atrocities or genocide  
 28        continues in Sudan.

29        (2) **This section applies only if the Legislative Assembly appropri-**  
 30        **ates sufficient moneys to the corporation, other than moneys de-**  
 31        **scribed in ORS 293.718, to administer the investigation, determination**



1 **and notice.**

2 **(3) Any costs incurred by the corporation in performing activities**  
3 **under this section may not be paid from subject investment funds or**  
4 **other moneys invested by the corporation.**

5 **SECTION 31.** ORS 293.817 is amended to read:

6 293.817. On or before January 15 of each year, the [*State Treasurer*]  
7 **Oregon Investment Corporation** shall report to the Legislative Assembly  
8 in the manner provided by ORS 192.245 on actions taken by the [*State*  
9 *Treasurer and the Oregon Investment Council*] **corporation** pursuant to the  
10 provisions of ORS 293.811 to 293.817. [*The State Treasurer shall consult with*  
11 *the council in preparing reports under this section.*]

12 **SECTION 32.** ORS 293.820 is amended to read:

13 293.820. (1) When the [*investment officer*] **Oregon Investment Corpo-**  
14 **ration** invests the funds of any county, municipality, school district or other  
15 political subdivision of this state, the [*investment officer*] **corporation** shall  
16 keep a separate account for each such governmental unit the funds of which  
17 are being invested.

18 (2) The [*investment officer*] **corporation** shall report monthly to each such  
19 governmental unit the changes made during the preceding month in the in-  
20 vestments for the account of that governmental unit. The monthly reports  
21 shall be provided to the governmental units within 30 days after the end of  
22 the month to which they pertain.

23 (3) All funds invested by the [*investment officer*] **corporation** shall be  
24 invested in accordance with rules adopted or readopted at least annually by  
25 the Oregon Short Term Fund Board and approved by the [*Oregon Investment*  
26 *Council*] **board of directors of the corporation.** [*Such*] **The** rules shall be  
27 published, shall be made available to all interested parties and shall be dis-  
28 tributed at least annually to all local governments investing funds pursuant  
29 to ORS 294.805 to 294.895.

30 **SECTION 33.** ORS 30.260 is amended to read:

31 30.260. As used in ORS 30.260 to 30.300, unless the context requires oth-

1 erwise:

2 (1) "Department" means the Oregon Department of Administrative Ser-  
3 vices.

4 (2) "Director" means the Director of the Oregon Department of Adminis-  
5 trative Services.

6 (3) "Governing body" means the group or officer in which the controlling  
7 authority of any public body is vested.

8 (4) "Public body" means:

9 (a) A public body as defined in ORS 174.109;

10 (b) Any nonprofit corporation that is organized and existing under ORS  
11 chapter 65 and that has only political subdivisions or municipal, quasi-  
12 municipal or public corporations in this state as members;

13 (c) A private child-caring agency, as defined in ORS 418.205, that meets  
14 the criteria specified in ORS 278.322 (1)(a) and that receives more than 50  
15 percent of its funding from the state for the purpose of providing residential  
16 treatment to children who have been placed in the care and custody of the  
17 state or that provides residential treatment to children more than half of  
18 whom have been placed in the care and custody of the state; or

19 (d) A private, nonprofit organization that provides public transportation  
20 services if more than 50 percent of the organization's funding for the purpose  
21 of providing public transportation services is received from governmental  
22 bodies.

23 (5) "State" means:

24 (a) State government as defined in ORS 174.111;

25 (b) The State Accident Insurance Fund Corporation; *[and]*

26 (c) The Oregon Utility Notification Center[.]; **and**

27 **(d) The Oregon Investment Corporation.**

28 (6) "Local public body" means any public body other than the state.

29 (7) "Nuclear incident" has the meaning given that term in 42 U.S.C.  
30 2014(q).

31 (8) "Tort" means the breach of a legal duty that is imposed by law, other

1 than a duty arising from contract or quasi-contract, the breach of which re-  
2 sults in injury to a specific person or persons for which the law provides a  
3 civil right of action for damages or for a protective remedy.

4 **SECTION 34.** ORS 173.500 is amended to read:

5 173.500. (1) There is established within the legislative department the  
6 Oregon State Capitol Foundation. The foundation shall be composed of not  
7 fewer than nine and not more than 25 voting members, who shall each serve  
8 a term of four years. The President of the Senate shall appoint three voting  
9 members from members of the Senate. The Speaker of the House of Repre-  
10 sentatives shall appoint three voting members from members of the House  
11 of Representatives. The Legislative Administration Committee shall appoint  
12 the remaining voting members. A member is eligible for reappointment. At  
13 all times there shall be appointed to the foundation an odd number of voting  
14 members. The foundation may appoint honorary, nonvoting members to the  
15 foundation.

16 (2) The Oregon State Capitol Foundation shall:

17 (a) Advise the Legislative Administration Committee on the terms and  
18 conditions of contracts or agreements entered into under ORS 276.002.

19 (b) Recommend to the committee renovations, repairs and additions to the  
20 State Capitol.

21 (c) Recommend to the committee exhibits and events for the State Capitol.

22 (d) Deposit gifts, grants, donations and moneys converted from gifts or  
23 donations of other than money into separate trust accounts reserved for the  
24 purposes of the gifts, grants and donations.

25 (e) Develop, maintain and implement plans to:

26 (A) Enhance and embellish the State Capitol in keeping with the design  
27 and purpose of the building and adjacent areas; and

28 (B) Preserve the history of activities of state government that have oc-  
29 curred in the State Capitol and of persons who have participated in state  
30 government in the State Capitol.

31 (f) Adopt rules to guide the foundation and implement the foundation's

1 responsibilities under this subsection and the foundation's authority under  
2 subsections (3) to (5) of this section.

3 (g) Consult with any advisory committees the Legislative Administration  
4 Committee may designate before the foundation makes a recommendation  
5 required by this subsection.

6 (3) The Oregon State Capitol Foundation may:

7 (a) Solicit and accept gifts, grants and donations from public and private  
8 sources in the name of the foundation.

9 (b) Under guidelines adopted by the Legislative Administration Commit-  
10 tee, expend moneys from the Oregon State Capitol Foundation Fund for the  
11 purposes set out in subsection (2) of this section, including but not limited  
12 to the reasonable and necessary operating expenses of the foundation.

13 (c) Convert gifts or donations other than money into moneys.

14 (d) Become or create an organization under section 501(c)(3) of the Inter-  
15 nal Revenue Code.

16 (4)(a) As used in this subsection, "community foundation" has the mean-  
17 ing given that term in ORS 348.580.

18 (b) The Oregon State Capitol Foundation may enter into agreements with  
19 a person, including a community foundation in Oregon, for the person to  
20 assume the management of the moneys in the Oregon State Capitol Founda-  
21 tion Fund. The Oregon State Capitol Foundation may transfer to the person  
22 any moneys in the fund.

23 (c) The Oregon State Capitol Foundation shall include in any agreement  
24 entered into under this subsection a requirement that:

25 (A) The person conduct a periodic independent financial audit of the  
26 moneys transferred to the person.

27 (B) The person prepare an annual financial report according to generally  
28 accepted accounting principles.

29 (C) The person submit an annual financial report to the Oregon State  
30 Capitol Foundation, the Legislative Administration Committee and the  
31 Oregon Investment [*Council*] **Corporation**.

1 (d) If a provision of an agreement entered into under this subsection  
2 would cause the person to be out of compliance with a federal law, the  
3 Oregon State Capitol Foundation may waive the provision.

4 (5) The Oregon State Capitol Foundation may, through the Legislative  
5 Administrator, enter into contracts or agreements to implement the  
6 foundation's responsibilities and authority. ORS 279.835 to 279.855 and ORS  
7 chapters 279A, 279B and 279C do not apply to a contract or agreement en-  
8 tered into by the foundation.

9 (6) The Oregon State Capitol Foundation may take action under this  
10 section upon a majority vote of a quorum of members. A majority of the  
11 voting members of the foundation constitutes a quorum for the transaction  
12 of business.

13 (7) Notwithstanding ORS 171.072, members of the foundation who are  
14 members of the Legislative Assembly are not entitled to mileage expenses  
15 or a per diem and serve as volunteers on the foundation.

16 **SECTION 35.** ORS 192.502, as amended by section 26, chapter 45, Oregon  
17 Laws 2012, and sections 19 and 30, chapter 90, Oregon Laws 2012, is amended  
18 to read:

19 192.502. The following public records are exempt from disclosure under  
20 ORS 192.410 to 192.505:

21 (1) Communications within a public body or between public bodies of an  
22 advisory nature to the extent that they cover other than purely factual ma-  
23 terials and are preliminary to any final agency determination of policy or  
24 action. This exemption shall not apply unless the public body shows that in  
25 the particular instance the public interest in encouraging frank communi-  
26 cation between officials and employees of public bodies clearly outweighs the  
27 public interest in disclosure.

28 (2) Information of a personal nature such as but not limited to that kept  
29 in a personal, medical or similar file, if public disclosure would constitute  
30 an unreasonable invasion of privacy, unless the public interest by clear and  
31 convincing evidence requires disclosure in the particular instance. The party

1 seeking disclosure shall have the burden of showing that public disclosure  
2 would not constitute an unreasonable invasion of privacy.

3 (3) Public body employee or volunteer addresses, Social Security numbers,  
4 dates of birth and telephone numbers contained in personnel records main-  
5 tained by the public body that is the employer or the recipient of volunteer  
6 services. This exemption:

7 (a) Does not apply to the addresses, dates of birth and telephone numbers  
8 of employees or volunteers who are elected officials, except that a judge or  
9 district attorney subject to election may seek to exempt the judge's or dis-  
10 trict attorney's address or telephone number, or both, under the terms of  
11 ORS 192.445;

12 (b) Does not apply to employees or volunteers to the extent that the party  
13 seeking disclosure shows by clear and convincing evidence that the public  
14 interest requires disclosure in a particular instance;

15 (c) Does not apply to a substitute teacher as defined in ORS 342.815 when  
16 requested by a professional education association of which the substitute  
17 teacher may be a member; and

18 (d) Does not relieve a public employer of any duty under ORS 243.650 to  
19 243.782.

20 (4) Information submitted to a public body in confidence and not other-  
21 wise required by law to be submitted, where such information should rea-  
22 sonably be considered confidential, the public body has obliged itself in good  
23 faith not to disclose the information, and when the public interest would  
24 suffer by the disclosure.

25 (5) Information or records of the Department of Corrections, including the  
26 State Board of Parole and Post-Prison Supervision, to the extent that dis-  
27 closure would interfere with the rehabilitation of a person in custody of the  
28 department or substantially prejudice or prevent the carrying out of the  
29 functions of the department, if the public interest in confidentiality clearly  
30 outweighs the public interest in disclosure.

31 (6) Records, reports and other information received or compiled by the

1 Director of the Department of Consumer and Business Services in the ad-  
2 ministration of ORS chapters 723 and 725 not otherwise required by law to  
3 be made public, to the extent that the interests of lending institutions, their  
4 officers, employees and customers in preserving the confidentiality of such  
5 information outweighs the public interest in disclosure.

6 (7) Reports made to or filed with the court under ORS 137.077 or 137.530.

7 (8) Any public records or information the disclosure of which is prohib-  
8 ited by federal law or regulations.

9 (9)(a) Public records or information the disclosure of which is prohibited  
10 or restricted or otherwise made confidential or privileged under Oregon law.

11 (b) Subject to ORS 192.423, paragraph (a) of this subsection does not apply  
12 to factual information compiled in a public record when:

13 (A) The basis for the claim of exemption is ORS 40.225;

14 (B) The factual information is not prohibited from disclosure under any  
15 applicable state or federal law, regulation or court order and is not other-  
16 wise exempt from disclosure under ORS 192.410 to 192.505;

17 (C) The factual information was compiled by or at the direction of an  
18 attorney as part of an investigation on behalf of the public body in response  
19 to information of possible wrongdoing by the public body;

20 (D) The factual information was not compiled in preparation for liti-  
21 gation, arbitration or an administrative proceeding that was reasonably  
22 likely to be initiated or that has been initiated by or against the public body;  
23 and

24 (E) The holder of the privilege under ORS 40.225 has made or authorized  
25 a public statement characterizing or partially disclosing the factual infor-  
26 mation compiled by or at the attorney's direction.

27 (10) Public records or information described in this section, furnished by  
28 the public body originally compiling, preparing or receiving them to any  
29 other public officer or public body in connection with performance of the  
30 duties of the recipient, if the considerations originally giving rise to the  
31 confidential or exempt nature of the public records or information remain

1 applicable.

2 (11) Records of the Energy Facility Siting Council concerning the review  
3 or approval of security programs pursuant to ORS 469.530.

4 (12) Employee and retiree address, telephone number and other nonfinan-  
5 cial membership records and employee financial records maintained by the  
6 Public Employees Retirement System pursuant to ORS chapters 238 and  
7 238A.

8 (13) Records of or submitted to the State Treasurer, the Oregon Invest-  
9 ment [*Council*] **Corporation** or the agents of the treasurer or the [*council*]  
10 **corporation** relating to active or proposed publicly traded investments under  
11 ORS chapter 293, including but not limited to records regarding the acqui-  
12 sition, exchange or liquidation of the investments. For the purposes of this  
13 subsection:

14 (a) The exemption does not apply to:

15 (A) Information in investment records solely related to the amount paid  
16 directly into an investment by, or returned from the investment directly to,  
17 the treasurer or [*council*] **corporation**; or

18 (B) The identity of the entity to which the amount was paid directly or  
19 from which the amount was received directly.

20 (b) An investment in a publicly traded investment is no longer active  
21 when acquisition, exchange or liquidation of the investment has been con-  
22 cluded.

23 (14)(a) Records of or submitted to the State Treasurer, the Oregon In-  
24 vestment [*Council*] **Corporation**, the Oregon Growth Account Board or the  
25 agents of the treasurer, [*council*] **corporation** or board relating to actual or  
26 proposed investments under ORS chapter 293 or 348 in a privately placed  
27 investment fund or a private asset including but not limited to records re-  
28 garding the solicitation, acquisition, deployment, exchange or liquidation of  
29 the investments including but not limited to:

30 (A) Due diligence materials that are proprietary to an investment fund,  
31 to an asset ownership or to their respective investment vehicles.



1 (B) Financial statements of an investment fund, an asset ownership or  
2 their respective investment vehicles.

3 (C) Meeting materials of an investment fund, an asset ownership or their  
4 respective investment vehicles.

5 (D) Records containing information regarding the portfolio positions in  
6 which an investment fund, an asset ownership or their respective investment  
7 vehicles invest.

8 (E) Capital call and distribution notices of an investment fund, an asset  
9 ownership or their respective investment vehicles.

10 (F) Investment agreements and related documents.

11 (b) The exemption under this subsection does not apply to:

12 (A) The name, address and vintage year of each privately placed invest-  
13 ment fund.

14 (B) The dollar amount of the commitment made to each privately placed  
15 investment fund since inception of the fund.

16 (C) The dollar amount of cash contributions made to each privately placed  
17 investment fund since inception of the fund.

18 (D) The dollar amount, on a fiscal year-end basis, of cash distributions  
19 received by the State Treasurer, the Oregon Investment [*Council*] **Corpo-**  
20 **ration**, the Oregon Growth Account Board or the agents of the treasurer,  
21 [*council*] **corporation** or board from each privately placed investment fund.

22 (E) The dollar amount, on a fiscal year-end basis, of the remaining value  
23 of assets in a privately placed investment fund attributable to an investment  
24 by the State Treasurer, the Oregon Investment [*Council*] **Corporation**, the  
25 Oregon Growth Account Board or the agents of the treasurer, [*council*]  
26 **corporation** or board.

27 (F) The net internal rate of return of each privately placed investment  
28 fund since inception of the fund.

29 (G) The investment multiple of each privately placed investment fund  
30 since inception of the fund.

31 (H) The dollar amount of the total management fees and costs paid on

1 an annual fiscal year-end basis to each privately placed investment fund.

2 (I) The dollar amount of cash profit received from each privately placed  
3 investment fund on a fiscal year-end basis.

4 (15) *[The monthly reports prepared and submitted under ORS 293.761 and*  
5 *293.766]* **The information provided by the Oregon Investment Corpo-**  
6 **ration under section 2 (6) of this 2013 Act** concerning the Public Em-  
7 ployees Retirement Fund and the Industrial Accident Fund may be uniformly  
8 treated as exempt from disclosure for a period of up to 90 days after the end  
9 of the calendar quarter.

10 (16) Reports of unclaimed property filed by the holders of such property  
11 to the extent permitted by ORS 98.352.

12 (17)(a) The following records, communications and information submitted  
13 to the Oregon Business Development Commission, the Oregon Business De-  
14 velopment Department, the State Department of Agriculture, the Oregon  
15 Growth Account Board, the Port of Portland or other ports as defined in  
16 ORS 777.005, or a county or city governing body and any board, department,  
17 commission, council or agency thereof, by applicants for investment funds,  
18 grants, loans, services or economic development moneys, support or assist-  
19 ance including, but not limited to, those described in ORS 285A.224:

20 (A) Personal financial statements.

21 (B) Financial statements of applicants.

22 (C) Customer lists.

23 (D) Information of an applicant pertaining to litigation to which the ap-  
24 plicant is a party if the complaint has been filed, or if the complaint has not  
25 been filed, if the applicant shows that such litigation is reasonably likely to  
26 occur; this exemption does not apply to litigation which has been concluded,  
27 and nothing in this subparagraph shall limit any right or opportunity  
28 granted by discovery or deposition statutes to a party to litigation or po-  
29 tential litigation.

30 (E) Production, sales and cost data.

31 (F) Marketing strategy information that relates to applicant's plan to

1 address specific markets and applicant's strategy regarding specific compet-  
2 itors.

3 (b) The following records, communications and information submitted to  
4 the State Department of Energy by applicants for tax credits or for grants  
5 awarded under ORS 469B.256:

6 (A) Personal financial statements.

7 (B) Financial statements of applicants.

8 (C) Customer lists.

9 (D) Information of an applicant pertaining to litigation to which the ap-  
10 plicant is a party if the complaint has been filed, or if the complaint has not  
11 been filed, if the applicant shows that such litigation is reasonably likely to  
12 occur; this exemption does not apply to litigation which has been concluded,  
13 and nothing in this subparagraph shall limit any right or opportunity  
14 granted by discovery or deposition statutes to a party to litigation or po-  
15 tential litigation.

16 (E) Production, sales and cost data.

17 (F) Marketing strategy information that relates to applicant's plan to  
18 address specific markets and applicant's strategy regarding specific compet-  
19 itors.

20 (18) Records, reports or returns submitted by private concerns or enter-  
21 prises required by law to be submitted to or inspected by a governmental  
22 body to allow it to determine the amount of any transient lodging tax pay-  
23 able and the amounts of such tax payable or paid, to the extent that such  
24 information is in a form which would permit identification of the individual  
25 concern or enterprise. Nothing in this subsection shall limit the use which  
26 can be made of such information for regulatory purposes or its admissibility  
27 in any enforcement proceedings. The public body shall notify the taxpayer  
28 of the delinquency immediately by certified mail. However, in the event that  
29 the payment or delivery of transient lodging taxes otherwise due to a public  
30 body is delinquent by over 60 days, the public body shall disclose, upon the  
31 request of any person, the following information:

1 (a) The identity of the individual concern or enterprise that is delinquent  
2 over 60 days in the payment or delivery of the taxes.

3 (b) The period for which the taxes are delinquent.

4 (c) The actual, or estimated, amount of the delinquency.

5 (19) All information supplied by a person under ORS 151.485 for the pur-  
6 pose of requesting appointed counsel, and all information supplied to the  
7 court from whatever source for the purpose of verifying the financial eligi-  
8 bility of a person pursuant to ORS 151.485.

9 (20) Workers' compensation claim records of the Department of Consumer  
10 and Business Services, except in accordance with rules adopted by the Di-  
11 rector of the Department of Consumer and Business Services, in any of the  
12 following circumstances:

13 (a) When necessary for insurers, self-insured employers and third party  
14 claim administrators to process workers' compensation claims.

15 (b) When necessary for the director, other governmental agencies of this  
16 state or the United States to carry out their duties, functions or powers.

17 (c) When the disclosure is made in such a manner that the disclosed in-  
18 formation cannot be used to identify any worker who is the subject of a  
19 claim.

20 (d) When a worker or the worker's representative requests review of the  
21 worker's claim record.

22 (21) Sensitive business records or financial or commercial information of  
23 the Oregon Health and Science University that is not customarily provided  
24 to business competitors.

25 (22) Records of Oregon Health and Science University regarding candi-  
26 dates for the position of president of the university.

27 (23) The records of a library, including:

28 (a) Circulation records, showing use of specific library material by a  
29 named person;

30 (b) The name of a library patron together with the address or telephone  
31 number of the patron; and

1 (c) The electronic mail address of a patron.

2 (24) The following records, communications and information obtained by  
3 the Housing and Community Services Department in connection with the  
4 department's monitoring or administration of financial assistance or of  
5 housing or other developments:

6 (a) Personal and corporate financial statements and information, includ-  
7 ing tax returns.

8 (b) Credit reports.

9 (c) Project appraisals.

10 (d) Market studies and analyses.

11 (e) Articles of incorporation, partnership agreements and operating  
12 agreements.

13 (f) Commitment letters.

14 (g) Project pro forma statements.

15 (h) Project cost certifications and cost data.

16 (i) Audits.

17 (j) Project tenant correspondence.

18 (k) Personal information about a tenant.

19 (L) Housing assistance payments.

20 (25) Raster geographic information system (GIS) digital databases, pro-  
21 vided by private forestland owners or their representatives, voluntarily and  
22 in confidence to the State Forestry Department, that is not otherwise re-  
23 quired by law to be submitted.

24 (26) Sensitive business, commercial or financial information furnished to  
25 or developed by a public body engaged in the business of providing electricity  
26 or electricity services, if the information is directly related to a transaction  
27 described in ORS 261.348, or if the information is directly related to a bid,  
28 proposal or negotiations for the sale or purchase of electricity or electricity  
29 services, and disclosure of the information would cause a competitive disad-  
30 vantage for the public body or its retail electricity customers. This sub-  
31 section does not apply to cost-of-service studies used in the development or

1 review of generally applicable rate schedules.

2 (27) Sensitive business, commercial or financial information furnished to  
3 or developed by the City of Klamath Falls, acting solely in connection with  
4 the ownership and operation of the Klamath Cogeneration Project, if the  
5 information is directly related to a transaction described in ORS 225.085 and  
6 disclosure of the information would cause a competitive disadvantage for the  
7 Klamath Cogeneration Project. This subsection does not apply to cost-of-  
8 service studies used in the development or review of generally applicable rate  
9 schedules.

10 (28) Personally identifiable information about customers of a municipal  
11 electric utility or a people's utility district or the names, dates of birth,  
12 driver license numbers, telephone numbers, electronic mail addresses or So-  
13 cial Security numbers of customers who receive water, sewer or storm drain  
14 services from a public body as defined in ORS 174.109. The utility or district  
15 may release personally identifiable information about a customer, and a  
16 public body providing water, sewer or storm drain services may release the  
17 name, date of birth, driver license number, telephone number, electronic mail  
18 address or Social Security number of a customer, if the customer consents  
19 in writing or electronically, if the disclosure is necessary for the utility,  
20 district or other public body to render services to the customer, if the dis-  
21 closure is required pursuant to a court order or if the disclosure is otherwise  
22 required by federal or state law. The utility, district or other public body  
23 may charge as appropriate for the costs of providing such information. The  
24 utility, district or other public body may make customer records available  
25 to third party credit agencies on a regular basis in connection with the es-  
26 tablishment and management of customer accounts or in the event such ac-  
27 counts are delinquent.

28 (29) A record of the street and number of an employee's address submitted  
29 to a special district to obtain assistance in promoting an alternative to sin-  
30 gles occupant motor vehicle transportation.

31 (30) Sensitive business records, capital development plans or financial or

1 commercial information of Oregon Corrections Enterprises that is not cus-  
2 tomarily provided to business competitors.

3 (31) Documents, materials or other information submitted to the Director  
4 of the Department of Consumer and Business Services in confidence by a  
5 state, federal, foreign or international regulatory or law enforcement agency  
6 or by the National Association of Insurance Commissioners, its affiliates or  
7 subsidiaries under ORS 86A.095 to 86A.198, 697.005 to 697.095, 697.602 to  
8 697.842, 705.137, 717.200 to 717.320, 717.900 or 717.905, ORS chapter 59, 723,  
9 725 or 726, the Bank Act or the Insurance Code when:

10 (a) The document, material or other information is received upon notice  
11 or with an understanding that it is confidential or privileged under the laws  
12 of the jurisdiction that is the source of the document, material or other in-  
13 formation; and

14 (b) The director has obligated the Department of Consumer and Business  
15 Services not to disclose the document, material or other information.

16 (32) A county elections security plan developed and filed under ORS  
17 254.074.

18 (33) Information about review or approval of programs relating to the  
19 security of:

20 (a) Generation, storage or conveyance of:

21 (A) Electricity;

22 (B) Gas in liquefied or gaseous form;

23 (C) Hazardous substances as defined in ORS 453.005 (7)(a), (b) and (d);

24 (D) Petroleum products;

25 (E) Sewage; or

26 (F) Water.

27 (b) Telecommunication systems, including cellular, wireless or radio sys-  
28 tems.

29 (c) Data transmissions by whatever means provided.

30 (34) The information specified in ORS 25.020 (8) if the Chief Justice of the  
31 Supreme Court designates the information as confidential by rule under ORS

1 1.002.

2 (35)(a) Employer account records of the State Accident Insurance Fund  
3 Corporation.

4 (b) As used in this subsection, “employer account records” means all re-  
5 cords maintained in any form that are specifically related to the account of  
6 any employer insured, previously insured or under consideration to be in-  
7 sured by the State Accident Insurance Fund Corporation and any informa-  
8 tion obtained or developed by the corporation in connection with providing,  
9 offering to provide or declining to provide insurance to a specific employer.  
10 “Employer account records” includes, but is not limited to, an employer’s  
11 payroll records, premium payment history, payroll classifications, employee  
12 names and identification information, experience modification factors, loss  
13 experience and dividend payment history.

14 (c) The exemption provided by this subsection may not serve as the basis  
15 for opposition to the discovery documents in litigation pursuant to applicable  
16 rules of civil procedure.

17 (36)(a) Claimant files of the State Accident Insurance Fund Corporation.

18 (b) As used in this subsection, “claimant files” includes, but is not limited  
19 to, all records held by the corporation pertaining to a person who has made  
20 a claim, as defined in ORS 656.005, and all records pertaining to such a  
21 claim.

22 (c) The exemption provided by this subsection may not serve as the basis  
23 for opposition to the discovery documents in litigation pursuant to applicable  
24 rules of civil procedure.

25 (37) Except as authorized by ORS 408.425, records that certify or verify  
26 an individual’s discharge or other separation from military service.

27 (38) Records of or submitted to a domestic violence service or resource  
28 center that relate to the name or personal information of an individual who  
29 visits a center for service, including the date of service, the type of service  
30 received, referrals or contact information or personal information of a family  
31 member of the individual. As used in this subsection, “domestic violence



1 service or resource center” means an entity, the primary purpose of which  
2 is to assist persons affected by domestic or sexual violence by providing re-  
3 ferrals, resource information or other assistance specifically of benefit to  
4 domestic or sexual violence victims.

5 **SECTION 36.** ORS 238A.050 is amended to read:

6 238A.050. (1) The Oregon Public Service Retirement Plan is part of the  
7 Public Employees Retirement System and is administered by the Public Em-  
8 ployees Retirement Board.

9 (2) ORS 238.008, 238.225, 238.229, 238.231, 238.285, 238.410, 238.445, 238.450,  
10 238.455, 238.458, 238.460, 238.465, 238.470, 238.600, 238.601, 238.605, 238.610,  
11 238.615, 238.618, 238.630, 238.635, 238.640, 238.645, 238.655, 238.660, 238.661,  
12 238.665, 238.675, 238.692, 238.694, 238.695, 238.696, 238.698, 238.700, 238.705,  
13 238.710 and 238.715 apply to the Oregon Public Service Retirement Plan.

14 (3) The Oregon Investment [*Council*] **Corporation** shall invest the assets  
15 of the Oregon Public Service Retirement Plan as a part of the Public Em-  
16 ployees Retirement Fund. Except as provided by subsection (4) of this sec-  
17 tion, the investment of Oregon Public Service Retirement Plan assets is  
18 subject to the provisions of ORS 293.701 to 293.820. The Oregon Investment  
19 [*Council*] **Corporation** may invest assets of the individual account program  
20 and pension program differently than the other assets of the Public Em-  
21 ployees Retirement System.

22 (4) Investment of the assets of the Oregon Public Service Retirement Plan  
23 is not subject to the limitations imposed by ORS 293.726 (6).

24 (5) The board may contract with a private provider for the administration  
25 of the individual account program. The board is not subject to the provisions  
26 of ORS chapter 279A or 279B in awarding a contract under the provisions  
27 of this subsection. The board shall establish procedures for inviting proposals  
28 and awarding contracts under this subsection.

29 **SECTION 37.** ORS 243.401 is amended to read:

30 243.401. As used in ORS 243.401 to 243.507:

31 (1) “Board” means the Public Employees Retirement Board described in

1 ORS 238.630.

2 (2) [*“Council” means the Oregon Investment Council created by ORS*  
3 *293.706.*] **“Corporation” means the Oregon Investment Corporation es-**  
4 **tablished under section 2 of this 2013 Act.**

5 (3) “Deferred compensation contract” means a written agreement entered  
6 into by the state and an eligible state employee under the provisions of ORS  
7 243.440.

8 (4) “Deferred compensation investment program” means the program es-  
9 tablished by the Oregon Investment [*Council*] **Corporation** under ORS  
10 243.421, for investment of assets of the Deferred Compensation Fund.

11 (5) “Deferred compensation plan” means a plan established by the state  
12 or a local government for the deferral of compensation payable to employees  
13 of the state or local government and for the deferral of income taxation on  
14 that compensation.

15 (6) “Eligible state employee” means an officer or employee of a state  
16 board, commission, department or other instrumentality of state government,  
17 including, but not limited to, all officers and employees of the executive,  
18 judicial and legislative branches of state government, but excluding:

19 (a) Persons engaged as independent contractors, except as otherwise spe-  
20 cifically allowed by statute;

21 (b) Persons who are employed in emergency work and whose periods of  
22 employment are on an intermittent or irregular basis; and

23 (c) Persons who are provided sheltered employment or make-work by the  
24 state in an employment or industries program maintained for the benefit of  
25 such individuals.

26 (7) “Fund” means the Deferred Compensation Fund established under ORS  
27 243.411.

28 (8) “Local government” means a city, county, municipal or public corpo-  
29 ration, any political subdivision of the state or any instrumentality thereof,  
30 or an agency created by two or more such political subdivisions to provide  
31 themselves governmental services.

1 (9) "Local government deferred compensation plan" means a deferred  
2 compensation plan that is established and administered by a local govern-  
3 ment.

4 (10) "Local plan participant" means a person participating in a local  
5 government deferred compensation plan.

6 (11) "Participating local government" means a local government that in-  
7 vests all or part of the assets of the deferred compensation plan established  
8 by the local government through the deferred compensation investment pro-  
9 gram.

10 (12) "State deferred compensation plan" means the deferred compensation  
11 plan described in ORS 243.435 for eligible state employees.

12 (13) "State plan participant" means a person participating in the state  
13 deferred compensation plan, either through current or past deferrals of  
14 compensation.

15 (14) "System" means the Public Employees Retirement System established  
16 in ORS 238.600.

17 **SECTION 38.** ORS 243.421 is amended to read:

18 243.421. (1) The Oregon Investment [*Council*] **Corporation** shall establish  
19 a program for investment of moneys in the Deferred Compensation Fund. The  
20 program shall include policies and procedures for the investment of moneys  
21 in the fund. The program and all investments of moneys under the program  
22 are subject to the provisions of ORS 293.701 to 293.820.

23 (2) The [*council*] **corporation** shall provide to the Public Employees Re-  
24 tirement Board a description of the investment options set forth in the  
25 [*council's*] **corporation's** policies and procedures for the investment of mon-  
26 eys in the fund, the applicable benchmark for each option and a description  
27 of the characteristics of each benchmark.

28 (3) The provisions of ORS chapter 59 that require registration of securi-  
29 ties do not apply to any share, participation or other interest in the state  
30 deferred compensation plan or in the Deferred Compensation Fund. The  
31 provisions of ORS chapter 59 requiring licensing of certain persons as

1 broker-dealers or as investment advisors do not apply to any of the following  
2 persons or entities for the purposes of implementing and administering the  
3 deferred compensation investment program established under this section:

- 4 (a) The [*council*] **Oregon Investment Corporation**.
- 5 (b) The Public Employees Retirement Board.
- 6 (c) The Public Employees Retirement System.
- 7 (d) The State Treasurer.
- 8 (e) Any officer or employee of the persons or entities described in para-  
9 graphs (a) to (d) of this subsection.

10 **SECTION 39.** ORS 243.426 is amended to read:

11 243.426. (1) On request from the Public Employees Retirement Board, the  
12 State Treasurer shall establish all accounts in the Deferred Compensation  
13 Fund that are necessary to administer the provisions of ORS 243.401 to  
14 243.507.

15 (2) The accounts shall be established and maintained with the charges  
16 assessed under ORS 243.472 against the account balances of the state plan  
17 participants and the funds invested by participating local governments.

18 (3) The moneys held in the accounts established by the board may be used  
19 only for payment of the administrative expenses incurred by the system, the  
20 State Treasurer and the Oregon Investment [*Council*] **Corporation** in ad-  
21 ministering the provisions of ORS 243.401 to 243.507.

22 **SECTION 40.** ORS 243.472 is amended to read:

23 243.472. (1) ORS 243.401 to 243.507 shall be implemented and administered  
24 by the Public Employees Retirement Board so that no expense is incurred  
25 by the State of Oregon or the Public Employees Retirement Fund and so that  
26 the State of Oregon and the Public Employees Retirement System incur no  
27 liabilities other than those liabilities that may be imposed under ORS 243.401  
28 to 243.507 or other law. In addition to the amounts that may be deducted by  
29 the [*State Treasurer*] **Oregon Investment Corporation** pursuant to ORS  
30 293.718, the Public Employees Retirement System may assess a charge  
31 against the accounts of state plan participants in the Deferred Compensation

1 Fund. The charge may not exceed two percent of the balances of those ac-  
2 counts. Funds collected pursuant to the charge are continuously appropriated  
3 for and shall be used only to cover the costs incurred by the system to ad-  
4 minister the state deferred compensation plan, to issue refunds and to pay  
5 costs incurred in investing the plan assets.

6 (2) For the purpose of implementing and administering the provisions of  
7 ORS 243.401 to 243.507, including implementation and administration of ser-  
8 vice agreements entered into with local governments under ORS 243.478, the  
9 Public Employees Retirement Board may designate fiscal periods. The board  
10 may apportion extraordinary expenses incurred during any fiscal period, in-  
11 cluding but not limited to expenses for equipment and actuarial studies, to  
12 subsequent fiscal periods for purposes of equitably distributing the burden  
13 of the expenses. The board may carry forward unexpended fees collected in  
14 one fiscal period to a later fiscal period for the payment of future expenses.

15 (3) In the event the assessment provided for in subsection (1) of this sec-  
16 tion is inadequate to meet the administrative expenses incurred by the sys-  
17 tem for the state deferred compensation plan, and these expenses are not  
18 carried over to another fiscal period, the excess expenses may be paid by an  
19 additional one-time assessment against the account balances of state plan  
20 participants in the Deferred Compensation Fund. The additional assessment  
21 shall be in an amount determined by the Public Employees Retirement Board  
22 to be sufficient to pay the excess expenses in the fiscal period in which the  
23 assessment is made. The one-time assessment is in addition to the regular  
24 assessment provided for in subsection (1) of this section.

25 (4) Deferred compensation benefit payments, and amounts payable as re-  
26 funds, shall not for any purpose be deemed expenses of the board and shall  
27 not be included in its biennial departmental budget.

28 **SECTION 41.** ORS 243.474 is amended to read:

29 243.474. (1) A local government that establishes a deferred compensation  
30 plan may invest all or part of the plan's assets through the deferred com-  
31 pensation investment program established by the Oregon Investment

1 [Council] **Corporation** under ORS 243.421. Plan assets of a local government  
2 deferred compensation plan invested through the deferred compensation in-  
3 vestment program are not subject to the limitations on investment imposed  
4 by ORS 294.033 and 294.035. Local governments that invest through the de-  
5 ferred compensation investment program are subject to the policies and pro-  
6 cedures established by the [council] **corporation** for the administration of  
7 the program.

8 (2) A local government that wishes to become a participating local gov-  
9 ernment pursuant to this section must enter into a written agreement with  
10 the Public Employees Retirement System. The agreement must set forth the  
11 terms of the investment and the record keeping and related services to be  
12 performed by the system for the invested funds. The Public Employees Re-  
13 tirement Board may require that the local government enter into a service  
14 agreement under ORS 243.478 as a condition of an agreement under this  
15 subsection. If the local government and the system cannot reach an agree-  
16 ment under the provisions of this subsection, the local government may not  
17 become a participating local government.

18 (3) All funds invested by the [council] **corporation** for a participating  
19 local government must be accounted for separately. Investment of funds  
20 under this section must be implemented and administered so that the State  
21 of Oregon incurs no expense or liability other than those liabilities that may  
22 be imposed under ORS 243.401 to 243.507 or other law.

23 (4) In addition to those amounts that may be deducted by the [State  
24 Treasurer] **corporation** pursuant to ORS 293.718, the system may assess a  
25 charge against the total account balances of all participating local govern-  
26 ments that is sufficient to reimburse the system for any additional costs of  
27 investing funds for participating local governments. The Public Employees  
28 Retirement Board shall not act as a trustee or be considered the trustee of  
29 any trust established by a local government deferred compensation plan.

30 (5) The terms of the agreement provided for in subsection (2) of this sec-  
31 tion shall govern the nature and extent of the information that must be

1 provided to local government officers and employees about the investment  
2 of deferred compensation through the deferred compensation investment  
3 program.

4 **SECTION 42.** ORS 243.476 is amended to read:

5 243.476. (1) As a condition of allowing a local government to become a  
6 participating local government, and at any time thereafter, the Oregon In-  
7 vestment [*Council*] **Corporation**, the Public Employees Retirement Board or  
8 the Director of the Public Employees Retirement System may require that  
9 the local government provide proof that the local government deferred com-  
10 pensation plan complies with the provisions of section 457 of the Internal  
11 Revenue Code, as amended, that apply to governmental plans, including but  
12 not limited to any required declaration of trust related to plan assets and  
13 appointment of a trustee. The [*council*] **corporation**, board or director may  
14 require an opinion of counsel or other assurance satisfactory to the  
15 [*council*] **corporation**, board or director that participation of a local gov-  
16 ernment deferred compensation plan in the deferred compensation investment  
17 program does not cause the State of Oregon, its agencies or employees to  
18 violate any federal or state laws or regulations related to investments and  
19 securities.

20 (2) Participating local governments shall take all actions that the Oregon  
21 Investment [*Council*] **Corporation**, the Public Employees Retirement Board  
22 or the Director of the Public Employees Retirement System, in their dis-  
23 cretion, deem necessary for compliance by the deferred compensation invest-  
24 ment program with all applicable federal and state laws or for qualification  
25 of the program for any exemptions from regulation available under those  
26 laws, including but not limited to the federal Securities Act of 1933, as  
27 amended, the Investment Company Act of 1940, as amended, and ORS chapter  
28 59.

29 **SECTION 43.** ORS 243.478 is amended to read:

30 243.478. (1) A participating local government and the Public Employees  
31 Retirement System may enter into a written agreement for the system to

1 provide consolidated billing services, participant enrollment services, partic-  
2 ipant accounts, data processing, record keeping and other related services  
3 that are necessary or appropriate to the administration of the local govern-  
4 ment deferred compensation plan. The agreement may provide that the ser-  
5 vices be provided directly by the system or through contracts with other  
6 providers.

7 (2) Agreements under this section must require that the participating lo-  
8 cal government remain the responsible administrator for the local govern-  
9 ment deferred compensation plan. The agreement may provide any additional  
10 terms and conditions that the system determines necessary for the purposes  
11 of offering the services described in subsection (1) of this section to local  
12 government deferred compensation plans, including proof of compliance un-  
13 der ORS 243.476. The system may require that participating local govern-  
14 ments that enter into agreements with the system under this section have  
15 uniform provisions on plan administration and record keeping.

16 (3) The system may assess a charge, in an amount to be determined by the  
17 system, against the total account balances in the Deferred Compensation  
18 Fund of all local governments that have entered into service agreements  
19 under this section. The charge imposed under this subsection is in addition  
20 to any charges that may be assessed against local governments by the system  
21 under ORS 243.474 or deducted by the [*State Treasurer*] **Oregon Investment**  
22 **Corporation** under ORS 293.718.

23 (4) In the event the assessment provided for in subsection (3) of this sec-  
24 tion is inadequate to meet the administrative expenses incurred by the sys-  
25 tem for local government deferred compensation plans during a fiscal period,  
26 and the expenses are not carried over to another fiscal period pursuant to  
27 ORS 243.472 (2), the excess expenses may be paid by an additional one-time  
28 assessment against the account balances in the Deferred Compensation Fund  
29 of participating local governments that have entered into service agreements  
30 under this section.

31 **SECTION 44.** ORS 243.482 is amended to read:



1 243.482. (1) A civil action for damages may not be brought against the  
2 state, the State Treasurer, the Oregon Investment [*Council*] **Corporation**, the  
3 Public Employees Retirement Board, or the officers or employees of the  
4 board by reason of:

5 (a) A breach of any duty in administering or investing of funds in the  
6 Deferred Compensation Fund;

7 (b) A breach of any duty in administering or investing of the funds of  
8 participating local governments; or

9 (c) Any losses suffered by a state plan participant or local plan partic-  
10 ipant or the beneficiaries of those participants because of the participant's  
11 choice of an investment option available through the deferred compensation  
12 investment program established under ORS 243.421.

13 (2) Any claim that the [*council*] **corporation**, the board, the State Treas-  
14 urer or the system, or any of their officers or employees, violated federal or  
15 state securities laws, including antifraud provisions, in the implementation  
16 or administration of ORS 243.401 to 243.507 is subject to the provisions of  
17 ORS 30.260 to 30.300. With respect to such claims, the state shall defend, save  
18 harmless and indemnify the State Treasurer, the system, [*members of*] the  
19 [*council*] **corporation**, the board, and their officers and employees, as pro-  
20 vided for other torts under the provisions of ORS 30.260 to 30.300.

21 (3) The limitations on liability established by this section do not include  
22 an exemption from any liability that may be imposed under the provisions  
23 of ORS chapter 59. Except to the extent that the state deferred compensation  
24 plan and the deferred compensation investment program are exempted from  
25 registration and licensing requirements under ORS 243.421, ORS chapter 59  
26 applies to the administration and investment of the Deferred Compensation  
27 Fund, the state deferred compensation plan, local government deferred com-  
28 pensation plans and the deferred compensation investment program.

29 **SECTION 45.** ORS 244.045 is amended to read:

30 244.045. (1) A person who has been a Public Utility Commissioner, the  
31 Director of the Department of Consumer and Business Services, the Admin-

1    istrator of the Division of Finance and Corporate Securities, the Adminis-  
2    trator of the Insurance Division, the Administrator of the Oregon Liquor  
3    Control Commission or the Director of the Oregon State Lottery shall not:

4       (a) Within one year after the public official ceases to hold the position  
5    become an employee of or receive any financial gain, other than reimburse-  
6    ment of expenses, from any private employer engaged in the activity, occu-  
7    pation or industry over which the former public official had authority; or

8       (b) Within two years after the public official ceases to hold the position:

9       (A) Be a lobbyist for or appear as a representative before the agency over  
10    which the person exercised authority as a public official;

11       (B) Influence or try to influence the actions of the agency; or

12       (C) Disclose any confidential information gained as a public official.

13       (2) A person who has been a Deputy Attorney General or an assistant  
14    attorney general shall not, within two years after the person ceases to hold  
15    the position, lobby or appear before an agency that the person represented  
16    while employed by the Department of Justice.

17       (3) A person who has been the State Treasurer or the Deputy State  
18    Treasurer shall not, within one year after ceasing to hold office:

19       (a) Accept employment from or be retained by any private entity with  
20    whom the office of the State Treasurer or the Oregon Investment [*Council*]  
21    **Corporation** negotiated or to whom either awarded a contract providing for  
22    payment by the state of at least \$25,000 in any single year during the term  
23    of office of the treasurer;

24       (b) Accept employment from or be retained by any private entity with  
25    whom the [*office of the State Treasurer or the*] Oregon Investment [*Council*]  
26    **Corporation** placed at least \$50,000 of investment moneys in any single year  
27    during the term of office of the treasurer; or

28       (c) Be a lobbyist for an investment institution, manager or consultant,  
29    or appear before the [*office of the State Treasurer or*] Oregon Investment  
30    [*Council*] **Corporation** as a representative of an investment institution,  
31    manager or consultant.

1 (4)(a) A public official who as part of the official's duties invested public  
2 funds shall not within two years after the public official ceases to hold the  
3 position:

4 [(a)] (A) Be a lobbyist or appear as a representative before the agency,  
5 board or commission for which the former public official invested public  
6 funds;

7 [(b)] (B) Influence or try to influence the agency, board or commission;  
8 or

9 [(c)] (C) Disclose any confidential information gained as a public official.

10 (b) Paragraph (a) of this subsection does not apply to an individual  
11 who is employed by the Oregon Investment Corporation within the  
12 two-year period after the individual ceases to hold a position as a  
13 public official who as part of the official's duties invested public funds.

14 (5)(a) A person who has been a member of the Department of State Police,  
15 who has held a position with the department with the responsibility for  
16 supervising, directing or administering programs relating to gaming by a  
17 Native American tribe or the Oregon State Lottery and who has been des-  
18 ignated by the Superintendent of State Police by rule shall not, within one  
19 year after the member of the Department of State Police ceases to hold the  
20 position:

21 (A) Accept employment from or be retained by or receive any financial  
22 gain related to gaming from the Oregon State Lottery or any Native Ameri-  
23 can tribe;

24 (B) Accept employment from or be retained by or receive any financial  
25 gain from any private employer selling or offering to sell gaming products  
26 or services;

27 (C) Influence or try to influence the actions of the Department of State  
28 Police; or

29 (D) Disclose any confidential information gained as a member of the De-  
30 partment of State Police.

31 (b) This subsection does not apply to:

1 (A) Appointment or employment of a person as an Oregon State Lottery  
2 Commissioner or as a Tribal Gaming Commissioner or regulatory agent  
3 thereof;

4 (B) Contracting with the Oregon State Lottery as a lottery game retailer;

5 (C) Financial gain received from personal gaming activities conducted as  
6 a private citizen; or

7 (D) Subsequent employment in any capacity by the Department of State  
8 Police.

9 (c) As used in this subsection, “Native American tribe” means any re-  
10 cognized Native American tribe or band of tribes authorized by the Indian  
11 Gaming Regulatory Act of October 17, 1988 (Public Law 100-497), 25 U.S.C.  
12 2701 et seq., to conduct gambling operations on tribal land.

13 (6) A person who has been a member of the Legislative Assembly may not  
14 receive money or any other consideration for lobbying as defined in ORS  
15 171.725 performed during the period beginning on the date the person ceases  
16 to be a member of the Legislative Assembly and ending on the date of  
17 adjournment sine die of the next regular session of the Legislative Assembly  
18 that begins after the date the person ceases to be a member of the Legislative  
19 Assembly.

20 **SECTION 46.** ORS 244.047 is amended to read:

21 244.047. (1) As used in this section:

22 (a) “Public body” has the meaning given that term in ORS 174.109.

23 (b) “Public contract” has the meaning given that term in ORS 279A.010.

24 (2) Except as provided in subsection (4) of this section, a person who  
25 ceases to hold a position as a public official may not have a direct beneficial  
26 financial interest in a public contract described in subsection (3) of this  
27 section for two years after the date the contract was authorized.

28 (3) Subsection (2) of this section applies to a public contract that was  
29 authorized by:

30 (a) The person acting in the capacity of a public official; or

31 (b) A board, commission, council, bureau, committee or other governing

1 body of a public body of which the person was a member when the contract  
2 was authorized.

3 (4) Subsection (2) of this section does not apply to:

4 (a) A person who was a member of a board, commission, council, bureau,  
5 committee or other governing body of a public body when the contract was  
6 authorized, but who did not participate in the authorization of the  
7 contract; **or**

8 (b) **An employee of the office of the State Treasurer who is subse-**  
9 **quently employed by the Oregon Investment Corporation.**

10 **SECTION 47.** ORS 244.050, as amended by section 9, chapter 90, Oregon  
11 Laws 2012, is amended to read:

12 244.050. (1) On or before April 15 of each year the following persons shall  
13 file with the Oregon Government Ethics Commission a verified statement of  
14 economic interest as required under this chapter:

15 (a) The Governor, Secretary of State, State Treasurer, Attorney General,  
16 Commissioner of the Bureau of Labor and Industries, district attorneys and  
17 members of the Legislative Assembly.

18 (b) Any judicial officer, including justices of the peace and municipal  
19 judges, except any pro tem judicial officer who does not otherwise serve as  
20 a judicial officer.

21 (c) Any candidate for a public office designated in paragraph (a) or (b)  
22 of this subsection.

23 (d) The Deputy Attorney General.

24 (e) The Legislative Administrator, the Legislative Counsel, the Legislative  
25 Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the House  
26 of Representatives.

27 (f) The Chancellor and Vice Chancellors of the Oregon University System  
28 and the president and vice presidents, or their administrative equivalents, in  
29 each public university listed in ORS 352.002.

30 (g) The following state officers:

31 (A) Adjutant General.

- 1 (B) Director of Agriculture.
- 2 (C) Manager of State Accident Insurance Fund Corporation.
- 3 (D) Water Resources Director.
- 4 (E) Director of Department of Environmental Quality.
- 5 (F) Director of Oregon Department of Administrative Services.
- 6 (G) State Fish and Wildlife Director.
- 7 (H) State Forester.
- 8 (I) State Geologist.
- 9 (J) Director of Human Services.
- 10 (K) Director of the Department of Consumer and Business Services.
- 11 (L) Director of the Department of State Lands.
- 12 (M) State Librarian.
- 13 (N) Administrator of Oregon Liquor Control Commission.
- 14 (O) Superintendent of State Police.
- 15 (P) Director of the Public Employees Retirement System.
- 16 (Q) Director of Department of Revenue.
- 17 (R) Director of Transportation.
- 18 (S) Public Utility Commissioner.
- 19 (T) Director of Veterans' Affairs.
- 20 (U) Executive director of Oregon Government Ethics Commission.
- 21 (V) Director of the State Department of Energy.
- 22 (W) Director and each assistant director of the Oregon State Lottery.
- 23 (X) Director of the Department of Corrections.
- 24 (Y) Director of the Oregon Department of Aviation.
- 25 (Z) Executive director of the Oregon Criminal Justice Commission.
- 26 (AA) Director of the Oregon Business Development Department.
- 27 (BB) Director of the Office of Emergency Management.
- 28 (CC) Director of the Employment Department.
- 29 (DD) Chief of staff for the Governor.
- 30 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 31 (FF) Director of the Housing and Community Services Department.

- 1 (GG) State Court Administrator.
- 2 (HH) Director of the Department of Land Conservation and Development.
- 3 (II) Board chairperson of the Land Use Board of Appeals.
- 4 (JJ) State Marine Director.
- 5 (KK) Executive director of the Oregon Racing Commission.
- 6 (LL) State Parks and Recreation Director.
- 7 (MM) Public defense services executive director.
- 8 (NN) Chairperson of the Public Employees' Benefit Board.
- 9 (OO) Director of the Department of Public Safety Standards and Training.
- 10 (PP) Chairperson of the Oregon Student Access Commission.
- 11 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 12 (RR) Director of the Oregon Youth Authority.
- 13 (SS) Director of the Oregon Health Authority.
- 14 (TT) Deputy Superintendent of Public Instruction.
- 15 (h) Any assistant in the Governor's office other than personal secretaries  
16 and clerical personnel.
- 17 (i) Every elected city or county official.
- 18 (j) Every member of a city or county planning, zoning or development  
19 commission.
- 20 (k) The chief executive officer of a city or county who performs the duties  
21 of manager or principal administrator of the city or county.
- 22 (L) Members of local government boundary commissions formed under  
23 ORS 199.410 to 199.519.
- 24 (m) Every member of a governing body of a metropolitan service district  
25 and the executive officer thereof.
- 26 (n) Each member of the board of directors of the State Accident Insurance  
27 Fund Corporation.
- 28 (o) The chief administrative officer and the financial officer of each  
29 common and union high school district, education service district and com-  
30 munity college district.
- 31 (p) Every member of the following state boards and commissions:

- 1 (A) Board of Geologic and Mineral Industries.
- 2 (B) Oregon Business Development Commission.
- 3 (C) State Board of Education.
- 4 (D) Environmental Quality Commission.
- 5 (E) Fish and Wildlife Commission of the State of Oregon.
- 6 (F) State Board of Forestry.
- 7 (G) Oregon Government Ethics Commission.
- 8 (H) Oregon Health Policy Board.
- 9 (I) State Board of Higher Education.
- 10 (J) **Board of directors of the** Oregon Investment [Council]  
11 **Corporation.**
- 12 (K) Land Conservation and Development Commission.
- 13 (L) Oregon Liquor Control Commission.
- 14 (M) Oregon Short Term Fund Board.
- 15 (N) State Marine Board.
- 16 (O) Mass transit district boards.
- 17 (P) Energy Facility Siting Council.
- 18 (Q) Board of Commissioners of the Port of Portland.
- 19 (R) Employment Relations Board.
- 20 (S) Public Employees Retirement Board.
- 21 (T) Oregon Racing Commission.
- 22 (U) Oregon Transportation Commission.
- 23 (V) Wage and Hour Commission.
- 24 (W) Water Resources Commission.
- 25 (X) Workers' Compensation Board.
- 26 (Y) Oregon Facilities Authority.
- 27 (Z) Oregon State Lottery Commission.
- 28 (AA) Pacific Northwest Electric Power and Conservation Planning  
29 Council.
- 30 (BB) Columbia River Gorge Commission.
- 31 (CC) Oregon Health and Science University Board of Directors.



1 (DD) Capitol Planning Commission.

2 (EE) Higher Education Coordinating Commission.

3 (FF) Oregon Growth Board.

4 (q) The following officers of the State Treasurer:

5 (A) Deputy State Treasurer.

6 (B) Chief of staff for the office of the State Treasurer.

7 [(C) *Director of the Investment Division.*]

8 (r) Every member of the board of commissioners of a port governed by  
9 ORS 777.005 to 777.725 or 777.915 to 777.953.

10 (s) Every member of the board of directors of an authority created under  
11 ORS 441.525 to 441.595.

12 **(t) The executive director of the Oregon Investment Corporation.**

13 (2) By April 15 next after the date an appointment takes effect, every  
14 appointed public official on a board or commission listed in subsection (1)  
15 of this section shall file with the Oregon Government Ethics Commission a  
16 statement of economic interest as required under ORS 244.060, 244.070 and  
17 244.090.

18 (3) By April 15 next after the filing deadline for the primary election,  
19 each candidate described in subsection (1) of this section shall file with the  
20 commission a statement of economic interest as required under ORS 244.060,  
21 244.070 and 244.090.

22 (4) Within 30 days after the filing deadline for the general election, each  
23 candidate described in subsection (1) of this section who was not a candidate  
24 in the preceding primary election, or who was nominated for public office  
25 described in subsection (1) of this section at the preceding primary election  
26 by write-in votes, shall file with the commission a statement of economic  
27 interest as required under ORS 244.060, 244.070 and 244.090.

28 (5) Subsections (1) to (4) of this section apply only to persons who are  
29 incumbent, elected or appointed public officials as of April 15 and to persons  
30 who are candidates on April 15. Subsections (1) to (4) of this section also  
31 apply to persons who do not become candidates until 30 days after the filing

1 deadline for the statewide general election.

2 (6) If a statement required to be filed under this section has not been re-  
3 ceived by the commission within five days after the date the statement is  
4 due, the commission shall notify the public official or candidate and give the  
5 public official or candidate not less than 15 days to comply with the re-  
6 quirements of this section. If the public official or candidate fails to comply  
7 by the date set by the commission, the commission may impose a civil pen-  
8 alty as provided in ORS 244.350.

9 **SECTION 48.** ORS 244.050, as amended by sections 9 and 29, chapter 90,  
10 Oregon Laws 2012, is amended to read:

11 244.050. (1) On or before April 15 of each year the following persons shall  
12 file with the Oregon Government Ethics Commission a verified statement of  
13 economic interest as required under this chapter:

14 (a) The Governor, Secretary of State, State Treasurer, Attorney General,  
15 Commissioner of the Bureau of Labor and Industries, district attorneys and  
16 members of the Legislative Assembly.

17 (b) Any judicial officer, including justices of the peace and municipal  
18 judges, except any pro tem judicial officer who does not otherwise serve as  
19 a judicial officer.

20 (c) Any candidate for a public office designated in paragraph (a) or (b)  
21 of this subsection.

22 (d) The Deputy Attorney General.

23 (e) The Legislative Administrator, the Legislative Counsel, the Legislative  
24 Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the House  
25 of Representatives.

26 (f) The Chancellor and Vice Chancellors of the Oregon University System  
27 and the president and vice presidents, or their administrative equivalents, in  
28 each public university listed in ORS 352.002.

29 (g) The following state officers:

30 (A) Adjutant General.

31 (B) Director of Agriculture.

- 1 (C) Manager of State Accident Insurance Fund Corporation.
- 2 (D) Water Resources Director.
- 3 (E) Director of Department of Environmental Quality.
- 4 (F) Director of Oregon Department of Administrative Services.
- 5 (G) State Fish and Wildlife Director.
- 6 (H) State Forester.
- 7 (I) State Geologist.
- 8 (J) Director of Human Services.
- 9 (K) Director of the Department of Consumer and Business Services.
- 10 (L) Director of the Department of State Lands.
- 11 (M) State Librarian.
- 12 (N) Administrator of Oregon Liquor Control Commission.
- 13 (O) Superintendent of State Police.
- 14 (P) Director of the Public Employees Retirement System.
- 15 (Q) Director of Department of Revenue.
- 16 (R) Director of Transportation.
- 17 (S) Public Utility Commissioner.
- 18 (T) Director of Veterans' Affairs.
- 19 (U) Executive director of Oregon Government Ethics Commission.
- 20 (V) Director of the State Department of Energy.
- 21 (W) Director and each assistant director of the Oregon State Lottery.
- 22 (X) Director of the Department of Corrections.
- 23 (Y) Director of the Oregon Department of Aviation.
- 24 (Z) Executive director of the Oregon Criminal Justice Commission.
- 25 (AA) Director of the Oregon Business Development Department.
- 26 (BB) Director of the Office of Emergency Management.
- 27 (CC) Director of the Employment Department.
- 28 (DD) Chief of staff for the Governor.
- 29 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 30 (FF) Director of the Housing and Community Services Department.
- 31 (GG) State Court Administrator.

- 1 (HH) Director of the Department of Land Conservation and Development.  
2 (II) Board chairperson of the Land Use Board of Appeals.  
3 (JJ) State Marine Director.  
4 (KK) Executive director of the Oregon Racing Commission.  
5 (LL) State Parks and Recreation Director.  
6 (MM) Public defense services executive director.  
7 (NN) Chairperson of the Public Employees' Benefit Board.  
8 (OO) Director of the Department of Public Safety Standards and Training.  
9 (PP) Chairperson of the Oregon Student Access Commission.  
10 (QQ) Executive director of the Oregon Watershed Enhancement Board.  
11 (RR) Director of the Oregon Youth Authority.  
12 (SS) Director of the Oregon Health Authority.  
13 (TT) Deputy Superintendent of Public Instruction.  
14 (h) Any assistant in the Governor's office other than personal secretaries  
15 and clerical personnel.  
16 (i) Every elected city or county official.  
17 (j) Every member of a city or county planning, zoning or development  
18 commission.  
19 (k) The chief executive officer of a city or county who performs the duties  
20 of manager or principal administrator of the city or county.  
21 (L) Members of local government boundary commissions formed under  
22 ORS 199.410 to 199.519.  
23 (m) Every member of a governing body of a metropolitan service district  
24 and the executive officer thereof.  
25 (n) Each member of the board of directors of the State Accident Insurance  
26 Fund Corporation.  
27 (o) The chief administrative officer and the financial officer of each  
28 common and union high school district, education service district and com-  
29 munity college district.  
30 (p) Every member of the following state boards and commissions:  
31 (A) Board of Geologic and Mineral Industries.

- 1 (B) Oregon Business Development Commission.
- 2 (C) State Board of Education.
- 3 (D) Environmental Quality Commission.
- 4 (E) Fish and Wildlife Commission of the State of Oregon.
- 5 (F) State Board of Forestry.
- 6 (G) Oregon Government Ethics Commission.
- 7 (H) Oregon Health Policy Board.
- 8 (I) State Board of Higher Education.
- 9 (J) **Board of directors of the** Oregon Investment [*Council*]
- 10 **Corporation.**
- 11 (K) Land Conservation and Development Commission.
- 12 (L) Oregon Liquor Control Commission.
- 13 (M) Oregon Short Term Fund Board.
- 14 (N) State Marine Board.
- 15 (O) Mass transit district boards.
- 16 (P) Energy Facility Siting Council.
- 17 (Q) Board of Commissioners of the Port of Portland.
- 18 (R) Employment Relations Board.
- 19 (S) Public Employees Retirement Board.
- 20 (T) Oregon Racing Commission.
- 21 (U) Oregon Transportation Commission.
- 22 (V) Wage and Hour Commission.
- 23 (W) Water Resources Commission.
- 24 (X) Workers' Compensation Board.
- 25 (Y) Oregon Facilities Authority.
- 26 (Z) Oregon State Lottery Commission.
- 27 (AA) Pacific Northwest Electric Power and Conservation Planning
- 28 Council.
- 29 (BB) Columbia River Gorge Commission.
- 30 (CC) Oregon Health and Science University Board of Directors.
- 31 (DD) Capitol Planning Commission.

1 (EE) Higher Education Coordinating Commission.

2 (q) The following officers of the State Treasurer:

3 (A) Deputy State Treasurer.

4 (B) Chief of staff for the office of the State Treasurer.

5 [(C) *Director of the Investment Division.*]

6 (r) Every member of the board of commissioners of a port governed by  
7 ORS 777.005 to 777.725 or 777.915 to 777.953.

8 (s) Every member of the board of directors of an authority created under  
9 ORS 441.525 to 441.595.

10 (t) **The executive director of the Oregon Investment Corporation.**

11 (2) By April 15 next after the date an appointment takes effect, every  
12 appointed public official on a board or commission listed in subsection (1)  
13 of this section shall file with the Oregon Government Ethics Commission a  
14 statement of economic interest as required under ORS 244.060, 244.070 and  
15 244.090.

16 (3) By April 15 next after the filing deadline for the primary election,  
17 each candidate described in subsection (1) of this section shall file with the  
18 commission a statement of economic interest as required under ORS 244.060,  
19 244.070 and 244.090.

20 (4) Within 30 days after the filing deadline for the general election, each  
21 candidate described in subsection (1) of this section who was not a candidate  
22 in the preceding primary election, or who was nominated for public office  
23 described in subsection (1) of this section at the preceding primary election  
24 by write-in votes, shall file with the commission a statement of economic  
25 interest as required under ORS 244.060, 244.070 and 244.090.

26 (5) Subsections (1) to (4) of this section apply only to persons who are  
27 incumbent, elected or appointed public officials as of April 15 and to persons  
28 who are candidates on April 15. Subsections (1) to (4) of this section also  
29 apply to persons who do not become candidates until 30 days after the filing  
30 deadline for the statewide general election.

31 (6) If a statement required to be filed under this section has not been re-

1 ceived by the commission within five days after the date the statement is  
2 due, the commission shall notify the public official or candidate and give the  
3 public official or candidate not less than 15 days to comply with the re-  
4 quirements of this section. If the public official or candidate fails to comply  
5 by the date set by the commission, the commission may impose a civil pen-  
6 alty as provided in ORS 244.350.

7 **SECTION 49.** ORS 244.055 is amended to read:

8 244.055. (1) In addition to the statement required by ORS 244.050, the  
9 State Treasurer, [*and*] any person listed under ORS 244.050 (1)(q) and [*this*  
10 *subsection*] **the directors of the Finance Division and the Debt Man-**  
11 **agement Division** shall file quarterly at a time fixed by the State Treasurer  
12 a trading statement listing all stocks, bonds and other types of securities  
13 purchased or sold during the preceding quarter[:].

14 [*(a) Directors of the Cash Management Division and the Debt Management*  
15 *Division.*]

16 [*(b) Equities, fixed income, short term fund, real estate, equities real estate*  
17 *and commercial and mortgage real estate investment officers and assistant in-*  
18 *vestment officers.*]

19 [*(c) Fixed income and short term fund investment analysts.*]

20 (2) The statement required by subsection (1) of this section shall be filed  
21 for review with the State Treasurer, the Attorney General and the Division  
22 of Audits of the office of the Secretary of State. The content of the statement  
23 is confidential.

24 (3) If the State Treasurer or the Deputy State Treasurer determines that  
25 a conflict of interest exists for an officer or employee, the State Treasurer  
26 shall subject the person to appropriate discipline, including dismissal or  
27 termination of the contract, or both, pursuant to rule. If the State Treasurer  
28 has cause to believe that a violation of this chapter has occurred, the State  
29 Treasurer shall file a complaint with the Oregon Government Ethics Com-  
30 mission under ORS 244.260.

31 (4) If the State Treasurer fails to act on an apparent conflict of interest

1 under subsection (3) of this section or if the statement of the State Treasurer  
2 or the Deputy State Treasurer appears to contain a conflict of interest, the  
3 Director of the Division of Audits shall report the failure or apparent con-  
4 flict to the Attorney General, who may file a complaint with the commission.

5 **(5) In addition to the statement required by ORS 244.050, the execu-**  
6 **utive director of the Oregon Investment Corporation and any employ-**  
7 **ees of the corporation who provide advice or make decisions with**  
8 **respect to the acquisition, sale or other disposition of investments of**  
9 **the corporation, shall file quarterly at a time fixed by the executive**  
10 **director, a trading statement listing all stocks, bonds and other types**  
11 **of securities purchased or sold during the preceding quarter. The**  
12 **statement shall be filed for review with the State Treasurer, the At-**  
13 **torney General and the Division of Audits of the office of the Secretary**  
14 **of State. The content of the statement is confidential.**

15 **(6) If the executive director of the Oregon Investment Corporation**  
16 **determines that a conflict of interest exists for an employee or a vio-**  
17 **lation of the corporation's code of ethics has occurred, the executive**  
18 **director shall subject the person to appropriate discipline. If the exec-**  
19 **utive director has cause to believe that a violation of this chapter has**  
20 **occurred, the executive director shall file a complaint with the Oregon**  
21 **Government Ethics Commission under ORS 244.260.**

22 **SECTION 50.** ORS 293.708 is amended to read:

23 293.708. (1) As used in this section:

24 (a) "Business" has the meaning given that term in ORS 244.020.

25 (b) "Business with which the person is associated" has the meaning given  
26 that term in ORS 244.020.

27 (c) "Relative" has the meaning given that term in ORS 244.020.

28 (2) When a person who is a member of the **board of directors of the**  
29 **Oregon Investment [Council] Corporation** becomes aware that action on a  
30 matter pending before the [council] **board or corporation** might lead to  
31 private pecuniary benefit or detriment to the person, to a relative of the



1 person or to a business with which the person or a relative of the person is  
2 associated, the member shall notify in writing the **executive director of the**  
3 **corporation, the chairperson of the board and the** State Treasurer or the  
4 Deputy State Treasurer that any action, decision or recommendation by the  
5 member might constitute an actual or potential conflict of interest. The  
6 member shall provide the notice not later than three business days after the  
7 member becomes aware of the possibility of an actual or potential conflict.

8 (3) Subsection (2) of this section does not apply if the pecuniary benefit  
9 or detriment arises out of circumstances described in ORS 244.020 (12).

10 (4) Complaints of violations of this section may be made to the Oregon  
11 Government Ethics Commission for review and investigation as provided by  
12 ORS 244.260 and for possible imposition of civil penalties as provided by ORS  
13 244.350 or 244.360.

14 (5) Nothing in this section excuses a member of the [*council*] **board** from  
15 compliance with ORS 244.120.

16 **SECTION 51.** ORS 246.590 is amended to read:

17 246.590. (1) The [*State Treasurer, in the capacity of investment officer for*  
18 *the Oregon Investment Council,*] **Oregon Investment Corporation** may lend  
19 moneys in the investment funds **or any other moneys the corporation is**  
20 **charged by law with investing** as provided in ORS 293.701 to 293.820 for  
21 the acquisition of:

22 (a) The voting machines or vote tally systems that the Secretary of State  
23 has contracted to sell to a county.

24 (b) Computers or computer systems for the purpose of maintaining and  
25 updating elector registration files or for establishing cross-county elector  
26 registration files, including those that the Secretary of State has contracted  
27 to sell to a county.

28 (2) The Voting Machine Account is established in the General Fund. The  
29 account consists of moneys lent to the Secretary of State under this section  
30 and payments collected from counties under ORS 246.600. Moneys in the ac-  
31 count are continuously appropriated to the secretary for:

1 (a) The purchase of voting machines or vote tally systems or computers  
2 or computer systems described in subsection (1) of this section; and

3 (b) Repayment of moneys lent under this section, plus interest.

4 (3) Moneys lent under this section shall be repaid within five years to-  
5 gether with interest at a rate agreed upon by the [*State Treasurer*] **corpo-**  
6 **ration** and the Secretary of State.

7 **SECTION 52.** ORS 273.413 is amended to read:

8 273.413. (1) The Department of State Lands may dispose of isolated  
9 sections and fragments of sections of state lands which are not suitable for  
10 management according to long-range policies of the State Land Board. The  
11 proceeds of such sales shall be applied and are continuously appropriated to  
12 the Department of State Lands for the acquisition of lands or other suitable  
13 investments as directed by the board in consultation with the Oregon In-  
14 vestment [*Council*] **Corporation**.

15 (2) The proceeds of any sale authorized by subsection (1) of this section  
16 shall be deposited in a revolving account in the Common School Fund. The  
17 costs of acquisition authorized by subsection (1) of this section shall be  
18 charged to the revolving account.

19 (3) When requested in writing by the Department of State Lands, the  
20 Oregon Department of Administrative Services shall draw a warrant on the  
21 Common School Fund in favor of the Department of State Lands for use as  
22 a revolving account. The State Treasurer shall hold the revolving account  
23 in special account against which the Department of State Lands may draw  
24 checks.

25 (4) The Department of State Lands may use the revolving account for the  
26 purposes specified in subsection (1) of this section.

27 (5) Before disposing of lands described in subsection (1) of this section,  
28 the Department of State Lands shall cause owners or lessees of land adjoin-  
29 ing the land to be disposed of to be notified of the pending disposition. The  
30 notice shall indicate the time and method of sale, the minimum or reserved  
31 price, if any, and shall invite the landowners or lessees to participate as a

1 prospective purchaser if the landowner or lessee wishes to do so.

2 (6) Before purchasing or selling land, the Department of State Lands shall  
3 obtain approval of the governing body of the county or counties in which  
4 such land is located.

5 (7) The Department of State Lands shall prepare sales materials, including  
6 catalogs of lands available for sale, and may charge a fee for such materials.

7 (8) This section does not apply to the sale or management of state-owned  
8 submerged and submersible lands subject to ORS chapter 274.

9 **SECTION 53.** ORS 276.013 is amended to read:

10 276.013. When the Director of the Oregon Department of Administrative  
11 Services determines that an office building as defined in ORS 276.110 would  
12 be the best means to further the public policy of this state as declared in  
13 ORS 276.426, or otherwise to accomplish the purposes of ORS 276.005 (1), the  
14 Oregon Department of Administrative Services may request the [*State*  
15 *Treasurer*] **Oregon Investment Corporation** and investing agency, as de-  
16 fined in ORS 276.110, to loan funds to acquire the buildings necessary to  
17 carry out that policy.

18 **SECTION 54.** ORS 276.015 is amended to read:

19 276.015. For the purposes of ORS 276.002 to 276.007 and 276.010 to 276.137,  
20 the [*State Treasurer*] **Oregon Investment Corporation**, with the approval  
21 of the investing agency, as defined in ORS 276.110, may invest not to exceed  
22 seven percent of the moneys in any appropriate fund included in the invest-  
23 ment funds, as defined in ORS 293.701, on such terms and conditions as the  
24 [*State Treasurer*] **corporation**, the investing agency and the Oregon Depart-  
25 ment of Administrative Services determine.

26 **SECTION 55.** ORS 276.110 is amended to read:

27 276.110. As used in ORS 276.013, 276.015 and 276.110 to 276.137, unless the  
28 context requires otherwise:

29 (1) "Cost of acquisition" includes the costs of sites, plans, specifications,  
30 architects' fees, interest on investments of the investing funds and all other  
31 costs related to the erection and equipping of office buildings or to the pur-

1 chase, alteration, repair and equipping of buildings for office purposes.

2 (2) "Investing agency" means the board, commission, department or other  
3 agency whose funds are defined as investment funds in ORS 293.701.

4 (3) "Investing funds" means those funds enumerated in ORS 293.701 (2),  
5 when invested pursuant to ORS 276.013, 276.015 and 276.110 to 276.137.

6 (4) "Office building" means any building in the State of Oregon acquired  
7 under ORS 276.013, 276.015 and 276.110 to 276.137, by appropriation therefor,  
8 or as otherwise provided by law, to provide centralized office quarters for  
9 state agencies and may include parking, storage, motor pool and service fa-  
10 cilities.

11 [(5) "State Treasurer" means the State Treasurer in the capacity of invest-  
12 ment officer for the Oregon Investment Council.]

13 **SECTION 56.** ORS 286A.145 is amended to read:

14 286A.145. (1) The State Treasurer or a related agency may enter into  
15 covenants for the benefit of owners of bonds that are intended to allow the  
16 bonds to bear interest that is excluded from gross income under the federal  
17 Internal Revenue Code or that is otherwise exempt from taxation by the  
18 United States. The State Treasurer or a related agency may adopt rules or  
19 procedures that are intended to facilitate compliance with those covenants,  
20 and may take any action that is required to comply with those covenants.  
21 Covenants authorized by this subsection include, but are not limited to,  
22 covenants to:

23 (a) Pay any rebates of earnings or penalties to the United States;

24 (b) Invest proceeds alone or in combination with other moneys in invest-  
25 ments that have different maturities, yields or credit qualities than the state  
26 would acquire under the investment **objective and** standards specified in  
27 ORS [293.721 and] 293.726 **and section 4 of this 2013 Act** and other similar  
28 laws, but only if those investments facilitate compliance with covenants de-  
29 scribed in this subsection; or

30 (c) Restrict the expenditure of bond proceeds or restrict the operation of,  
31 or otherwise limit the use of, facilities that are financed with bonds.

1 (2) When the State of Oregon receives interest rate subsidies from the  
2 United States in connection with bonds, the State Treasurer or the related  
3 agency, to the extent permitted by federal law, may:

4 (a) Apply the subsidies to pay bonds of the related agency and credit the  
5 subsidies to an account that is used to pay bonds of the related agency;

6 (b) Pledge the subsidies to secure bonds of the related agency; or

7 (c) Use the subsidies to pay costs that would otherwise be paid with  
8 proceeds of bonds of the related agency and credit the subsidies to accounts  
9 that are used to pay the costs.

10 **SECTION 57.** ORS 293.353 is amended to read:

11 293.353. (1) As payment for expenses of processing banking-related trans-  
12 actions, the State Treasurer **or the Oregon Investment Corporation** may  
13 charge each state agency having such transactions involving the State  
14 Treasury. The amount so charged shall be determined by the number of  
15 transactions processed by the State Treasurer **or the corporation** and shall  
16 be paid in the manner determined by the State Treasurer **or the corporation**  
17 to be most efficient and cost effective. The proceeds from such charges shall  
18 be deposited in:

19 (a) The Miscellaneous Receipts Account established in the General Fund  
20 for the State Treasurer, and such proceeds are continuously appropriated for  
21 payment of expenses of the office of the State Treasurer in processing  
22 banking-related transactions; **or**

23 (b) **The Oregon Investment Corporation Fund established under**  
24 **section 9 of this 2013 Act.**

25 (2) When the [*State Treasurer*] **Oregon Investment Corporation** trans-  
26 fers the assets of the local government investment pool to the state invest-  
27 ment fund established under ORS 293.701 (2)(n) as authorized by ORS 294.882,  
28 “state agency,” as used in this section, includes local government partic-  
29 ipants in the state investment fund.

30 **SECTION 58.** ORS 294.035 is amended to read:

31 294.035. (1) Subject to ORS 294.040 and 294.135 to 294.155, the custodial

1 officer may invest any sinking fund, bond fund or surplus funds in the cus-  
2 tody of the custodial officer in the bank accounts, classes of securities at  
3 current market prices, insurance contracts and other investments listed in  
4 this section, but only after obtaining from the governing body of the county,  
5 municipality, political subdivision or school district a written order that has  
6 been entered in the minutes or journal of the governing body.

7 (2) This section does not:

8 (a) Limit the authority of the custodial officer to invest surplus funds in  
9 other investments when the investment is specifically authorized by another  
10 statute.

11 (b) Apply to a sinking fund or a bond fund established in connection with  
12 conduit revenue bonds issued by a county, municipality, political subdivision  
13 or school district for private business entities or nonprofit corporations.

14 (3) Investments authorized by this section are:

15 (a) Lawfully issued general obligations of the United States, the agencies  
16 and instrumentalities of the United States or enterprises sponsored by the  
17 United States Government and obligations whose payment is guaranteed by  
18 the United States, the agencies and instrumentalities of the United States  
19 or enterprises sponsored by the United States Government.

20 (b) Lawfully issued debt obligations of the agencies and instrumentalities  
21 of the State of Oregon and its political subdivisions that have a long-term  
22 rating of A or an equivalent rating or better or are rated on the settlement  
23 date in the highest category for short-term municipal debt by a nationally  
24 recognized statistical rating organization.

25 (c) Lawfully issued debt obligations of the States of California, Idaho and  
26 Washington and political subdivisions of those states if the obligations have  
27 a long-term rating of AA or an equivalent rating or better or are rated on  
28 the settlement date in the highest category for short-term municipal debt by  
29 a nationally recognized statistical rating organization.

30 (d) Time deposit open accounts, certificates of deposit and savings ac-  
31 counts in insured institutions as defined in ORS 706.008, in credit unions as

1 defined in ORS 723.006 or in federal credit unions, if the institution or credit  
2 union maintains a head office or a branch in this state.

3 (e) Share accounts and savings accounts in credit unions in the name of,  
4 or for the benefit of, a member of the credit union pursuant to a plan of  
5 deferred compensation.

6 (f) Fixed or variable life insurance or annuity contracts as defined by  
7 ORS 731.170 and guaranteed investment contracts issued by life insurance  
8 companies authorized to do business in this state.

9 (g) Trusts in which deferred compensation funds from other public em-  
10 ployers are pooled, if:

11 (A) The purpose is to establish a deferred compensation plan;

12 (B) The trust is a public instrumentality of such public employers and  
13 described in section (2)(b) of the Investment Company Act of 1940, 15 U.S.C.  
14 80a-2(b), as amended, in effect on September 20, 1985, or the trust is a com-  
15 mon trust fund described in ORS 709.170;

16 (C) Under the terms of the plan the net income from or gain or loss due  
17 to fluctuation in value of the underlying assets of the trust, or other change  
18 in such assets, is reflected in an equal increase or decrease in the amount  
19 distributable to the employee or the beneficiary thereof and, therefore, does  
20 not ultimately result in a net increase or decrease in the worth of the public  
21 employer or the state; and

22 (D) The fidelity of the trustees and others with access to such assets,  
23 other than a trust company, as defined in ORS 706.008, is insured by a surety  
24 bond that is satisfactory to the public employer, issued by a company au-  
25 thorized to do a surety business in this state and in an amount that is not  
26 less than 10 percent of the value of such assets.

27 (h)(A) Banker's acceptances, if the banker's acceptances are:

28 (i) Guaranteed by, and carried on the books of, a qualified financial in-  
29 stitution;

30 (ii) Eligible for discount by the Federal Reserve System; and

31 (iii) Issued by a qualified financial institution whose short-term letter of

1 credit rating is rated in the highest category by one or more nationally re-  
2 cognized statistical rating organizations.

3 (B) For the purposes of this paragraph, “qualified financial institution”  
4 means:

5 (i) A financial institution that is located and licensed to do banking  
6 business in the State of Oregon; or

7 (ii) A financial institution that is wholly owned by a financial holding  
8 company or a bank holding company that owns a financial institution that  
9 is located and licensed to do banking business in the State of Oregon.

10 (C) A custodial officer shall not permit more than 25 percent of the  
11 moneys of a local government that are available for investment, as deter-  
12 mined on the settlement date, to be invested in banker’s acceptances of any  
13 qualified financial institution.

14 (i)(A) Corporate indebtedness subject to a valid registration statement on  
15 file with the Securities and Exchange Commission or issued under the au-  
16 thority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended.  
17 Corporate indebtedness described in this paragraph does not include banker’s  
18 acceptances. The corporate indebtedness must be issued by a commercial,  
19 industrial or utility business enterprise, or by or on behalf of a financial  
20 institution, including a holding company owning a majority interest in a  
21 qualified financial institution.

22 (B) Corporate indebtedness must be rated on the settlement date P-1 or  
23 Aa or better by Moody’s Investors Service or A-1 or AA or better by Stand-  
24 ard & Poor’s Corporation or equivalent rating by any nationally recognized  
25 statistical rating organization.

26 (C) Notwithstanding subparagraph (B) of this paragraph, the corporate  
27 indebtedness must be rated on the settlement date P-2 or A or better by  
28 Moody’s Investors Service or A-2 or A or better by Standard & Poor’s Cor-  
29 poration or equivalent rating by any nationally recognized statistical rating  
30 organization when the corporate indebtedness is:

31 (i) Issued by a business enterprise that has its headquarters in Oregon,



1 employs more than 50 percent of its permanent workforce in Oregon or has  
2 more than 50 percent of its tangible assets in Oregon; or

3 (ii) Issued by a holding company owning not less than a majority interest  
4 in a qualified financial institution, as defined in paragraph (h) of this sub-  
5 section, located and licensed to do banking business in Oregon or by a  
6 holding company owning not less than a majority interest in a business en-  
7 terprise described in sub-subparagraph (i) of this subparagraph.

8 (D) A custodial officer may not permit more than 35 percent of the mon-  
9 eys of a local government that are available for investment, as determined  
10 on the settlement date, to be invested in corporate indebtedness, and may  
11 not permit more than five percent of the moneys of a local government that  
12 are available for investment to be invested in corporate indebtedness of any  
13 single corporate entity and its affiliates or subsidiaries.

14 (j) Repurchase agreements whereby the custodial officer purchases secu-  
15 rities from a financial institution or securities dealer subject to an agree-  
16 ment by the seller to repurchase the securities. The repurchase agreement  
17 must be in writing and executed in advance of the initial purchase of the  
18 securities that are the subject of the repurchase agreement. Only securities  
19 described in paragraph (a) of this subsection may be used in conjunction with  
20 a repurchase agreement and such securities shall have a maturity of not  
21 longer than three years. The price paid by the custodial officer for such se-  
22 curities may not exceed amounts or percentages prescribed by written policy  
23 of the Oregon Investment [*Council*] **Corporation** or the Oregon Short Term  
24 Fund Board created by ORS 294.885.

25 (k) Shares of stock of any company, association or corporation, including  
26 but not limited to shares of a mutual fund, but only if the moneys being in-  
27 vested are funds set aside pursuant to a local government deferred compen-  
28 sation plan and are held in trust for the exclusive benefit of participants and  
29 their beneficiaries.

30 **SECTION 59.** ORS 294.805 is amended to read:

31 294.805. As used in ORS 294.805 to 294.895:

1 (1) "Board" means the Oregon Short Term Fund Board.

2 [(2) "*Council*" means the Oregon Investment Council created under ORS  
3 293.706.]

4 [(3)] (2) "Funds" means funds under the control or in the custody of any  
5 local government official by virtue of office that are not required to meet  
6 current demands.

7 [(4) "*Investment officer*" means the State Treasurer in capacity as invest-  
8 ment officer for the council and the investment pool.]

9 [(5)] (3) "Investment pool" means the aggregate of all funds from local  
10 government officials that are placed in the custody of the [*investment*  
11 *officer*] **Oregon Investment Corporation** for investment and reinvestment  
12 as provided under ORS 294.805 to 294.895.

13 [(6)] (4) "Local government official" means each officer or employee of  
14 any agency, political subdivision or public corporation of this state, includ-  
15 ing the Oregon State Bar, who by law is made the custodian of or has control  
16 of any funds.

17 **SECTION 60.** ORS 294.810 is amended to read:

18 294.810. (1) With the consent of the governing body, a local government  
19 official may place in the aggregate up to \$30 million of its funds in the in-  
20 vestment pool, or, if the assets of the investment pool have been transferred  
21 pursuant to ORS 294.882, for investment and reinvestment by the [*investment*  
22 *officer*] **Oregon Investment Corporation** as provided under ORS 293.701 to  
23 293.820 or 294.805 to 294.895, as the case may be. The \$30 million limitation  
24 stated in this section does not apply either to funds of a governing body that  
25 are placed in the investment pool on a pass-through basis or to funds in-  
26 vested on behalf of another government unit. Local governments must re-  
27 move pass-through funds that result in an account balance in the pool in  
28 excess of \$30 million within 10 business days. County governments must re-  
29 move such excess funds within 20 business days.

30 (2) The \$30 million limitation contained in subsection (1) of this section  
31 shall increase in proportion to the increase occurring after September 9,

1 1995, in the Consumer Price Index for All Urban Consumers of the Portland,  
2 Oregon, Metropolitan Statistical Area, as compiled by the United States  
3 Department of Labor, Bureau of Labor Statistics.

4 **SECTION 61.** ORS 294.815 is amended to read:

5 294.815. Subject to the right of the unit of local government to specify the  
6 period in which its funds may be held in the investment pool for investment  
7 and reinvestment, the [*investment officer*] **Oregon Investment Corporation**  
8 by rule shall prescribe the time periods for investments in the investment  
9 pool and the procedure for withdrawal of funds.

10 **SECTION 62.** ORS 294.820 is amended to read:

11 294.820. (1) If the [*State Treasurer and the*] Oregon Investment [*Council*  
12 *terminate*] **Corporation terminates** the operation of all investment pools  
13 [*created under ORS 293.824*] **for the investment of proceeds**, public  
14 bodies[, *as defined in ORS 287A.001,*] may establish by written agreement  
15 under ORS chapter 190 one or more pools for the investment of proceeds for  
16 the purposes [*identified in ORS 293.822. In establishing one or more such*  
17 *pools, the participating public bodies may exercise those powers conferred on*  
18 *the State Treasurer and the Oregon Investment Council by ORS 293.824*] **of**  
19 **reducing the burdens of federal arbitrage rules on public bodies that**  
20 **issue tax-exempt obligations.**

21 (2) **As used in this section:**

22 (a) **“Pool” means a fund or account established by the Oregon In-**  
23 **vestment Corporation for the investment of proceeds for one or more**  
24 **investors, pursuant to this section.**

25 (b) **“Public body” has the meaning given that term in ORS 287A.001.**

26 (c) **“Proceeds” means funds obtained from the sale of tax-exempt**  
27 **obligations, and other funds that secure, or are held to pay debt ser-**  
28 **vice on, tax-exempt obligations.**

29 (d) **“Tax-exempt obligations” means bonds, notes, certificates or**  
30 **other obligations, the interest on which is excluded from gross income**  
31 **under the Internal Revenue Code.**

1        **SECTION 63.** ORS 294.825 is amended to read:

2        294.825. [(1) *The State Treasurer is the investment officer for the Oregon*  
3 *Investment Council and the investment pool, and shall perform functions in*  
4 *that capacity as authorized or required by law and, consistent with law, by the*  
5 *council.*]

6        [(2)] (1) [*The bond of the State Treasurer required from the State Treasurer*  
7 *by law shall be deemed to extend to the faithful performance of all functions*  
8 *of the office of investment officer under ORS 294.805 to 294.895.*] **The Oregon**  
9 **Investment Corporation shall invest moneys in the investment pool in**  
10 **the manner provided by law.**

11        [(3)] (2) The [*investment officer*] **corporation** may:

12        (a) Subject to any applicable provision of the State Personnel Relations  
13 Law, employ, prescribe the functions and fix the compensation of personnel  
14 necessary to facilitate and assist in carrying out the functions of the [*coun-*  
15 *cil, investment officer*] **corporation** and investment pool.

16        (b) Require a fidelity bond of any person employed by the [*investment of-*  
17 *ficer*] **corporation** who has charge of, handles or has access to any of the  
18 moneys in the investment pool. The amounts of the bonds shall be fixed by  
19 the [*investment officer*] **corporation**, except as otherwise provided by law,  
20 and the sureties shall be approved by the [*investment officer*] **corporation**.  
21 The premiums on the bonds shall be an expense of the [*State Treasurer*]  
22 **corporation**.

23        [(4)] (3) Subject to review by the **Oregon Short Term Fund** Board, the  
24 [*investment officer*] **corporation** may, pursuant to ORS chapter 183, make  
25 reasonable rules necessary for the administration of ORS 294.805 to 294.895.

26        **SECTION 64.** ORS 294.831 is amended to read:

27        294.831. (1) The [*local government*] investment pool shall seek to obtain a  
28 competitive return on investments subject to the standards set forth in ORS  
29 294.835 and consistent with the liquidity requirements demanded by the short  
30 term nature of local government deposits in the pool.

31        (2) The [*investment officer*] **Oregon Investment Corporation** shall at all

1 times hold investments which mature in three years or less, in an amount  
2 not less than an amount equal to the aggregate of all funds placed with the  
3 [*investment officer*] **corporation** by local governments under ORS 294.805 to  
4 294.895, which investments shall be from the funds defined in ORS 293.701  
5 (2)(o).

6 (3) Notwithstanding subsection (2) of this section, the [*investment officer*]  
7 **corporation** may purchase legally issued general obligations of the United  
8 States and of the agencies and instrumentalities of the United States if the  
9 seller of the obligations agrees to repurchase the obligations within 90 days  
10 following the date on which the [*investment officer*] **corporation** makes the  
11 investment. The price paid by the [*investment officer*] **corporation** for such  
12 obligations may not exceed amounts or percentages prescribed by written  
13 policy of the [*Oregon Investment Council*] **board of directors of the corpo-**  
14 **ration** or the Oregon Short Term Fund Board created by ORS 294.885.

15 (4) Investments and commitments of the investment pool which do not  
16 conform to the quality or maturity requirements set forth in ORS 294.805 to  
17 294.895 shall be liquidated by the [*investment officer*] **corporation** once the  
18 market value of such investments and commitments reaches book value, or  
19 as soon as is practicable thereafter.

20 **SECTION 65.** ORS 294.840 is amended to read:

21 294.840. Subject to the objective set forth in ORS 294.831 and the stan-  
22 dards set forth in ORS 294.835, the [*Oregon Investment Council*] **board of**  
23 **directors of the Oregon Investment Corporation** shall formulate policies  
24 for the investment and reinvestment of moneys in the investment pool and  
25 the acquisition, retention, management and disposition of investments of the  
26 investment pool. The [*council*] **board of directors**, from time to time, shall  
27 review those policies and make changes therein as it considers necessary or  
28 desirable. The [*council*] **board of directors** may formulate separate policies  
29 for any funds from any single public body included in the investment pool.

30 **SECTION 66.** ORS 294.845 is amended to read:

31 294.845. In amounts available for investment purposes and subject to the

1 policies formulated by the [*Oregon Investment Council*] **board of directors**  
2 **of the Oregon Investment Corporation**, the [*investment officer*] **corpo-**  
3 **ration** shall invest and reinvest moneys in the investment pool and acquire,  
4 retain, manage, including exercise of any voting rights, and dispose of in-  
5 vestments of the investment pool.

6 **SECTION 67.** ORS 294.847 is amended to read:

7 294.847. In making investments pursuant to ORS 294.805 to 294.895, the  
8 [*investment officer*] **Oregon Investment Corporation** may not:

9 (1) Make a commitment to invest funds or sell securities more than 14  
10 business days prior to the anticipated date of settlement of the purchase or  
11 sale transaction;

12 (2) Enter into any agreement to invest funds or sell securities for future  
13 delivery for a fee other than interest;

14 (3) Lend securities to any person or institution, except on a fully  
15 collateralized basis;

16 (4) Pay for any securities purchased by the [*investment officer*] **corpo-**  
17 **ration** until the [*investment officer*] **corporation** has received physical pos-  
18 session, or other sufficient evidence, as determined under ORS 293.751 [(1)],  
19 of title to the securities. However, the [*investment officer*] **corporation** may  
20 instruct any custodial agent or bank to accept securities on the [*investment*  
21 *officer's*] **corporation's** behalf against payment for the securities previously  
22 deposited with the custodial agent or bank by the [*investment officer*] **cor-**  
23 **poration**; or

24 (5) Deliver securities to the purchaser of the securities upon sale prior  
25 to receiving payment in full for the securities. However, the [*investment of-*  
26 *ficer*] **corporation** may deliver the securities to any custodial agent or bank  
27 upon instructions to hold the securities pending receipt by the custodial  
28 agent or bank of full payment for the securities.

29 **SECTION 68.** ORS 294.850 is amended to read:

30 294.850. The Oregon Investment [*Council*] **Corporation** may enter into  
31 contracts with one or more persons whom the [*council*] **corporation** deter-

1 mines to be qualified, whereby the persons undertake, in lieu of the [*invest-*  
 2 *ment officer*] **corporation**, to perform the functions specified in ORS 294.845  
 3 to the extent provided in the contract. Performance of functions under con-  
 4 tract so entered into shall be paid for out of the gross interest or other in-  
 5 come of the investments with respect to which the functions are performed,  
 6 and the net interest or other income of the investments after that payment  
 7 shall be considered income of the investment pool. The [*council*] **corporation**  
 8 may require a person contracted with to give to the state a fidelity bond in  
 9 a penal sum as may be fixed by law or, if not so fixed, as may be fixed by  
 10 the [*council*] **corporation**, with corporate surety authorized to do business  
 11 in this state. Contracts so entered into and functions performed thereunder  
 12 are not subject to the State Personnel Relations Law or ORS 279A.140.

13 **SECTION 69.** ORS 294.855 is amended to read:

14 294.855. (1) In the acquisition or disposition of bonds with which approv-  
 15 ing legal opinions ordinarily are furnished, the [*investment officer*] **Oregon**  
 16 **Investment Corporation** may require an original or certified copy of the  
 17 written opinion of a reputable bond attorney or attorneys, or the written  
 18 opinion of the Attorney General, certifying to the legality of the bonds.

19 [(2) *The Oregon Investment Council may arrange for the furnishing to the*  
 20 *investment officer of investment counseling services. The furnishing and ac-*  
 21 *quisition of those services are not subject to the State Personnel Relations Law*  
 22 *or ORS 279A.140.]*

23 [(3)] (2) The [*investment officer, with the approval of the council,*] **corpo-**  
 24 **ration** may arrange for services with respect to mortgages in which moneys  
 25 in the investment pool are invested. Those services shall be paid for out of  
 26 the gross interest of the mortgages with respect to which the services are  
 27 furnished, and the net interest of the mortgages after that payment shall be  
 28 considered income of the investment pool. The furnishing and acquisition of  
 29 those services are not subject to the State Personnel Relations Law or ORS  
 30 279A.140.

31 **SECTION 70.** ORS 294.860 is amended to read:

1       294.860. (1) Except as provided in ORS 294.850 and this subsection, all  
2 instruments of title of all investments of the investment pool shall remain  
3 in the custody of the [*investment officer*] **Oregon Investment Corporation**.  
4 The [*investment officer*] **corporation** may deposit with one or more custodial  
5 agents or banks those instruments of title that the [*State Treasurer*] **corpo-**  
6 **ration** considers advisable, to be held in safekeeping by the agents or banks  
7 for collection of the principal and interest or other income, or of the pro-  
8 ceeds of sale or maturity. For purposes of this section, instruments of title  
9 of investments of the investment pool may include such evidence of title as  
10 the [*investment officer shall consider*] **corporation considers** secure and  
11 consistent with modern investment, banking and commercial practices, and  
12 may include book entry and automated recordation of such title.

13       (2) Except as provided in ORS 294.850 and 294.855 [(3)] (2) and subsections  
14 (1) and (3) of this section, the [*investment officer*] **corporation** shall collect  
15 the principal and interest or other income of investments of the investment  
16 pool, title of which is in the [*investment officer's*] **corporation's** custody,  
17 when due and payable, and shall pay to the appropriate local government  
18 official the principal and interest or other income, within 30 days after the  
19 last day of the calendar quarter in which the principal and interest or other  
20 income accrues. Not less often than quarterly and without regard to whether  
21 the short-term investments were made with moneys placed by local govern-  
22 ment officials or by other sources, the [*investment officer*] **corporation** shall  
23 compute the amount by which the current fair market value exceeds or is  
24 less than the net purchase price of all short-term investments administered  
25 by the [*investment officer*] **corporation** that mature more than 270 days from  
26 the date computation is made. The [*investment officer*] **corporation** shall  
27 compute the fair market value of such investments based upon the mean  
28 value of the bid and ask price of such investments as of the date of compu-  
29 tation, based upon quotations from reputable dealers or financial institutions  
30 dealing in such investments. If the amount so computed by the [*investment*  
31 *officer*] **corporation** totals more than one percent of the balance of the pool,



1 either in terms of a gain or loss, the [*investment officer*] **corporation** shall  
 2 allocate the amount to all pool participants. Any addition to or deduction  
 3 from amounts to be distributed shall be allocated among the municipalities  
 4 participating in the pool at any time during the month in proportion to their  
 5 average daily balances of funds invested through the pool. Investments ma-  
 6 turing 270 days or less from the date of computation shall not be subject to  
 7 the foregoing computation, but for other purposes shall be valued at book  
 8 value or original purchase price.

9 (3) In the event of default in the payment of principal or interest or other  
 10 income of any investment of the investment pool, the [*investment officer, with*  
 11 *the approval of the council,*] **corporation** may:

12 (a) Institute [*the proper*] proceedings to collect the matured principal or  
 13 interest or other income.

14 (b) Accept for exchange purposes refunding bonds or other evidences of  
 15 indebtedness at interest rates [*to be*] agreed upon by the [*investment officer*]  
 16 **corporation** and **the** obligor.

17 (c) Make compromises, adjustments or disposition of the matured princi-  
 18 pal or interest or other income as the [*investment officer*] **corporation** con-  
 19 siders advisable for the purpose of protecting the moneys invested.

20 (d) Make compromises or adjustments as to future payments of principal  
 21 or interest or other income as the [*investment officer*] **corporation** considers  
 22 advisable for the purposes of protecting the moneys invested.

23 **SECTION 71.** ORS 294.865 is amended to read:

24 294.865. The [*State Treasurer*] **Oregon Investment Corporation** may de-  
 25 duct monthly a maximum of 0.435 basis points of the most recent market  
 26 value of assets under the management of the investment pool. Amounts so  
 27 deducted shall pay the [*State Treasurer*] **corporation** for expenses of the  
 28 **corporation.** [*State Treasurer as investment officer and to the extent the*  
 29 *amounts deducted are so used shall be deposited into the Miscellaneous Re-*  
 30 *ceipts Account established in the General Fund for the State Treasurer, and*  
 31 *are continuously appropriated for payment of the expenses of the State Treas-*

1 *urer as investment officer.]* **The corporation shall deposit amounts de-**  
 2 **ducted under this section in the Oregon Investment Corporation Fund**  
 3 **established under section 9 of this 2013 Act.**

4 **SECTION 72.** ORS 294.870 is amended to read:

5 294.870. (1) The [*investment officer*] **Oregon Investment Corporation**  
 6 shall keep, for each public body with funds in the investment pool, a separate  
 7 account, which shall record the individual amounts and the totals of all in-  
 8 vestments of its moneys in the investment pool.

9 (2) The [*investment officer*] **corporation** shall report monthly to the local  
 10 government official of a public body with funds in the investment pool the  
 11 changes in its account made during the preceding month for the investment  
 12 pool. The [*investment officer*] **corporation** shall also furnish a financial re-  
 13 port monthly to each participating governmental unit investor in the [*local*  
 14 *government*] investment pool. The financial report shall include, but not be  
 15 limited to, such comparative data for the preceding six months operation of  
 16 the investment pool as will provide a basis for analyzing trends and com-  
 17 paring operating results and financial position. A monthly statement shall  
 18 be distributed within 30 days after the end of that month.

19 **SECTION 73.** ORS 294.875 is amended to read:

20 294.875. (1) Not later than 15 days after the last day of each month, the  
 21 [*investment officer*] **Oregon Investment Corporation** shall submit to the  
 22 [*Oregon Investment Council and the*] Oregon Short Term Fund Board a report  
 23 of the investments made during the preceding month.

24 (2) The report shall include:

25 (a) A detailed summary of investment, reinvestment, purchase, sale and  
 26 exchange transactions, setting forth, among other matters, the investments  
 27 bought, sold and exchanged, the dates thereof, the prices paid and obtained,  
 28 the names of the dealers involved and a statement of the accounts referred  
 29 to in ORS 294.870 (1)[. *The reports shall include*];

30 (b) A description of every investment in the portfolio of assets in the in-  
 31 vestment pool showing issuer, coupon, purchase date, maturity date, yield to

1 maturity, book value, market value as of the end of the month for which the  
2 report is rendered and the method used to value pool investments;

3 (c) A computation of the average life of the portfolio of assets in the in-  
4 vestment pool weighted according to the market value of each investment  
5 that matures more than 270 days from the report date as of the end of the  
6 month for which the report is rendered; and

7 (d) A computation of the annualized rate of return of the investment pool  
8 portfolio, net of expense.

9 (3) A copy of the *[reports]* **report** shall be made available to each county,  
10 municipality, school district and other political subdivision the funds of  
11 which are then being invested by the *[investment officer]* **corporation**. The  
12 *[investment officer]* **corporation** may send copies of the report to investment  
13 bankers and brokers *[recommended by the council]*.

14 **SECTION 74.** ORS 294.880 is amended to read:

15 294.880. (1) An examination and audit of the investment pool shall be  
16 made separately from the audit of the treasurer for submission to the Oregon  
17 Investment *[Council]* **Corporation**, local public bodies that are investors in  
18 the pool, the Legislative Assembly and the board at least once a year and  
19 at other times as the *[council]* **corporation** may require.

20 (2) An audit report shall be submitted to the individuals and public bodies  
21 specified within 60 days after the end of the fiscal year or as soon as prac-  
22 tical. The report shall include a statement prepared by the State Treasurer  
23 of the investment rules governing investments authorized by the *[council]*  
24 **corporation**.

25 **SECTION 75.** ORS 294.882 is amended to read:

26 294.882. (1) It is recognized that a time may come when the interest of  
27 local governments diminishes to the extent that participation in the *[local*  
28 *government]* investment pool no longer warrants its operation as a separate  
29 fund. If the *[local government]* investment pool decreases to a level below  
30 \$125 million, the *[State Treasurer]* **Oregon Investment Corporation** may  
31 transfer the assets of the pool to the state investment fund established under

1 ORS 293.701 (2)(n). In that event, the [*local government*] investment pool  
2 participant accounts will be treated as are other state funds and accounts  
3 in receiving a proportionate share of the earnings of that investment fund.  
4 Notwithstanding ORS 294.805 to 294.895, but subject to ORS 294.810, when  
5 the [*State Treasurer*] **corporation** transfers the assets of the [*local govern-*  
6 *ment*] investment pool to the state investment fund, the distributions of in-  
7 come to local governments, payment of related expenses and the reporting,  
8 program examination and audit functions with respect to the investment pool  
9 participant accounts shall be administered in accordance with ORS 293.353  
10 and 293.701 to 293.820.

11 (2) The [*State Treasurer*] **corporation**, at the discretion of the  
12 [*treasurer*] **corporation**, may reestablish the [*local government*] investment  
13 pool as a separate fund[,] if the participant accounts increase to over \$125  
14 million and, in the [*State Treasurer's*] judgment **of the board of directors**  
15 **of the corporation**, sufficient interest by local government exists to  
16 [*insure*] **ensure** the [*local government*] investment pool will remain over \$125  
17 million. [*Prior to reestablishing the pool as a separate fund, the State Treas-*  
18 *urer shall first present a plan for operation, including the reasons for such*  
19 *action, to the Oregon Investment Council at a regularly scheduled meeting for*  
20 *its review and comment.*] The [*State Treasurer*] **corporation** shall publish  
21 notice in the Secretary of State's administrative rules bulletin of the  
22 [*treasurer's*] **corporation's** intent to reestablish the pool as a separate fund  
23 at least 30 days prior to the meeting at which the [*Oregon Investment Council*  
24 *shall*] **corporation will** review the proposal, and notice of the meeting time  
25 and location [*of the Oregon Investment Council*] at which the proposal will  
26 be discussed.

27 **SECTION 76.** ORS 294.895 is amended to read:

28 294.895. The Oregon Short Term Fund Board shall:

29 (1) Advise the [*Oregon Investment Council and the investment officer*]  
30 **Oregon Investment Corporation** in the management of the investment pool  
31 and in the investment of moneys deposited in the Oregon Short Term Fund

1 established under ORS 293.728 and invested pursuant to ORS 293.701 to  
2 293.820.

3 (2) Review the rules promulgated by the [*investment officer*] **corporation**  
4 as authorized under ORS 294.825 [(4)].

5 (3) Consult with the [*council and the investment officer*] **corporation** on  
6 any matter relating to the investment and reinvestment of funds in the in-  
7 vestment pool and on any matter relating to the investment or reinvestment  
8 of moneys deposited in the Oregon Short Term Fund and invested by the  
9 [*State Treasurer*] **corporation**.

10 **SECTION 77.** ORS 295.101 is amended to read:

11 295.101. (1) The following public funds are not subject to the provisions  
12 of ORS 295.001 to 295.108:

13 (a) Funds that are deposited for the purpose of paying principal, interest  
14 or premium, if any, on bonds, as defined in ORS 286A.001 and 287A.001, and  
15 related costs or securing a borrowing related to an agreement for exchange  
16 of interest rates entered into under ORS 286A.110 or 287A.335.

17 (b) Funds that are invested in authorized investments under provisions  
18 of law other than ORS 295.001 to 295.108. Funds invested under ORS 293.701  
19 to 293.820 are invested in authorized investments for purposes of this sub-  
20 section from the time the funds are transferred by the [*State Treasurer*]  
21 **Oregon Investment Corporation** to a third party under the terms of a  
22 contract for investment or administration of the funds that requires such a  
23 transfer until the time the funds are returned to the [*treasurer*] **corporation**  
24 or paid to another party under the terms of the contract.

25 (c) Negotiable certificates of deposit purchased by the [*State Treasurer*  
26 *under ORS 293.736*] **corporation** or by an investment manager under [*ORS*  
27 *293.741*] **contract with the corporation pursuant to section 2 of this 2013**  
28 **Act**.

29 (d) Funds that are held by a public official and are required by federal  
30 law or contractual provisions to be collateralized at 100 percent, if the funds  
31 are deposited in an account that is separate from other accounts of the

1 public official in a depository, and the public official and the depository have  
2 entered into a written agreement that provides a perfected security interest  
3 to the public official in collateral valued at an amount at least equal to the  
4 amount of funds in the account in a manner substantially similar to a pledge  
5 agreement described in ORS 295.001 (15).

6 (2) Notwithstanding subsection (1) of this section, funds deposited by a  
7 custodial officer under ORS 294.035 (3)(d) are subject to the provisions of  
8 ORS 295.001 to 295.108.

9 **SECTION 78.** ORS 311.701 is amended to read:

10 311.701. (1) There is established in the State Treasury the Senior Property  
11 Tax Deferral Revolving Account to be used by the Department of Revenue  
12 for the purpose of making the payments to:

13 (a) County tax collectors of property taxes deferred for tax years begin-  
14 ning on or after January 1, 1983, as required by ORS 311.676.

15 (b) The appropriate local officer of special assessment improvement  
16 amounts deferred on or after October 15, 1983, as required by ORS 311.730.

17 (c) The department for its expenses in administering the property tax and  
18 special assessment senior deferral programs.

19 (2) The Senior Property Tax Deferral Revolving Account may include a  
20 reserve for payment of department administrative expenses.

21 (3) All sums of money received by the Department of Revenue under ORS  
22 311.666 to 311.701 as repayments of deferred property taxes or under ORS  
23 311.702 to 311.735 as repayments of deferred special assessment improvement  
24 amounts, including the interest accrued under ORS 311.674 (3) or 311.711 (3)  
25 shall, upon receipt, be credited to the revolving account and are continuously  
26 appropriated to the department for the purposes of subsection (1) of this  
27 section.

28 (4)(a) If there are not sufficient moneys in the revolving account to make  
29 the payments required by subsection (1) of this section, and the amount ap-  
30 propriated from the General Fund is not sufficient when added together with  
31 the moneys in the revolving account to provide an amount sufficient to make

1 the required payments, the [*State Treasurer, in the capacity of investment of-*  
2 *ficer for the Oregon Investment Council,*] **Oregon Investment Corporation**  
3 may lend to the Department of Revenue such amounts as may be necessary  
4 to make the payments.

5 (b) The [*State Treasurer*] **corporation** may lend moneys that may be in-  
6 vested as provided in ORS 293.701 to 293.820.

7 (c) Any moneys lent under this subsection shall be repaid within five  
8 years together with interest at a rate determined by the [*State Treasurer*]  
9 **corporation** and consistent with the investment **objective and** standards  
10 [*of ORS 293.721 and*] **set forth in section 4 of this 2013 Act and ORS**  
11 **293.726.**

12 **SECTION 79.** ORS 327.425 is amended to read:

13 327.425. (1) All moneys belonging to the Common School Fund and not  
14 required to meet current expenses shall be loaned by the Department of State  
15 Lands at a rate of interest fixed by the department except as otherwise  
16 specified in ORS 348.050 (3). The department may consult with and obtain the  
17 recommendation of the Oregon Investment [*Council*] **Corporation** in fixing  
18 the interest rate.

19 (2) Common School Fund moneys may be loaned in accordance with the  
20 repayment plan contained in ORS 327.440 and in ORS 348.050 (4), except that  
21 loans on property within the corporate limits of towns or cities shall be  
22 payable in not more than 15 years on the amortization plan.

23 (3) If at any time there is a Common School Fund surplus over and above  
24 all loans applied for, such portion of the surplus as the department deems  
25 proper may be invested as provided in ORS 293.701 to 293.820. The depart-  
26 ment may require the State Treasurer to deposit any such surplus, until it  
27 is able to loan same, in qualified state depositories, upon the same terms and  
28 conditions as other public funds are deposited therein, in which event any  
29 interest received from any such state depository shall be credited to the fund  
30 on which such interest was earned.

31 (4) Except as provided in ORS 348.050 (3), the department may reduce the

1 rate of interest to be paid upon outstanding loans from the Common School  
2 Fund and any trust fund placed in its charge, to correspond with the rate  
3 of interest to be paid upon new loans, but no reduction in rate of interest  
4 shall be made upon any of the loans until interest at the old rate has been  
5 paid in full to date of receipt of remittance at the office of the department.

6 **SECTION 80.** ORS 348.703 is amended to read:

7 348.703. (1) The Oregon Growth Account Board shall contract with one  
8 or more management companies to manage and invest the moneys in the  
9 Oregon Growth Account. For purposes of this subsection, a contract with a  
10 management company may consist of:

11 (a) A partnership agreement under which the Oregon Growth Account  
12 Board is the limited partner and the management company is the general  
13 partner; or

14 (b) Another form of payment or profit-sharing arrangement under which  
15 the Oregon Growth Account Board may receive payment or another form of  
16 return in exchange for its investment in an emerging growth business.

17 (2) The provisions of ORS 293.726 do not apply to those assets of the Ed-  
18 ucation Stability Fund that are held in the Oregon Growth Account. The  
19 limitations of ORS 293.726 (6) shall be calculated based only on the balance  
20 of the Education Stability Fund that does not include the Oregon Growth  
21 Account.

22 (3) A management company selected to manage the Oregon Growth Ac-  
23 count shall manage the moneys in the account, subject to investment policies  
24 established by the State Treasurer and the investment directives or strategies  
25 of the Oregon Growth Account Board, with the care, skill and diligence that  
26 a prudent investor acting in a similar capacity and familiar with such in-  
27 vestments would use in managing and investing a similar account. The  
28 management company shall invest in Oregon an amount that is at least equal  
29 to the amount of the principal transferred from the Oregon Growth Account  
30 to the management company for investment.

31 (4) The contract between the board and a management company to man-



1 age the Oregon Growth Account and the functions performed under the  
2 contract are not subject to the State Personnel Relations Law or ORS 279.835  
3 to 279.855 or ORS chapter 279A or 279B.

4 (5) Notwithstanding ORS 348.702 (5), a management company selected to  
5 manage the Oregon Growth Account may maintain a portion of the moneys  
6 allocated to the account under ORS 348.702 (1) in short-term securities in  
7 investments other than those specified in ORS 348.702 (5) during such times  
8 as a management company is seeking investments that meet the requirements  
9 of ORS 348.702 (5).

10 (6) The [*State Treasurer*] **Oregon Investment Corporation** shall annu-  
11 ally submit a report to the Governor and to the Legislative Assembly on the  
12 investment of moneys in the Oregon Growth Account. The report required  
13 by this subsection shall include a summary of the amount of money invested  
14 by industrial sector or business classification, by region of this state, by size  
15 of investment and by type of investment.

16 (7) The [*State Treasurer*] **corporation** shall provide to [*other*] state agen-  
17 cies any reports on the investment of moneys in the Oregon Growth Account  
18 that are necessary to fulfill audit, financial, investment or other reporting  
19 requirements to which the Education Stability Fund is subject by law or  
20 standard accounting principles.

21 (8) The [*office of the State Treasurer*] **corporation** shall provide staff to  
22 the board.

23 (9) There is continuously appropriated to the board from the Oregon  
24 Growth Account those amounts necessary to meet the expenses of the board  
25 and the [*State Treasurer*] **corporation** in carrying out the operations of the  
26 Oregon Growth Account and the duties of the board and the [*State*  
27 *Treasurer*] **corporation**. The cost to the [*office of the State Treasurer*] **cor-**  
28 **poration** of providing staff to the board shall be [*deducted*] **subtracted** from  
29 those amounts [*paid to the State Treasurer*] **deducted by the corporation**  
30 **as payment for expenses** pursuant to ORS 293.718. [*as reimbursement for*  
31 *expenses incurred as investment officer for the Education Stability Fund.*]

1 (10) The board may enter into contracts for the provision of investment  
2 advice or other services that the board [*deems*] **considers** reasonable and  
3 necessary to fulfill the duties of the board. The [*State Treasurer*] **corpo-**  
4 **ration** may enter into contracts for the provision of investment advice or  
5 other services that the [*State Treasurer deems*] **corporation considers** rea-  
6 sonable and necessary to fulfill the duties of the [*State Treasurer*] **corpo-**  
7 **ration** with respect to the Oregon Growth Account. Such contracts are not  
8 subject to the State Personnel Relations Law or ORS 279.835 to 279.855 or  
9 ORS chapter 279A or 279B.

10 **SECTION 81.** ORS 351.695 is amended to read:

11 351.695. (1) A university within the Oregon University System may deposit  
12 moneys received for its university venture development fund in the Higher  
13 Education Donation Fund established under ORS 351.130.

14 (2) Notwithstanding ORS 351.697 (5), the [*State Treasurer*] **Oregon In-**  
15 **vestment Corporation**, as payment for expenses, may deduct a fee pursuant  
16 to ORS 293.718 from a university venture development fund administered by  
17 a university within the Oregon University System or the Oregon Health and  
18 Science University.

19 (3) A university within the Oregon University System or the Oregon  
20 Health and Science University may direct that moneys credited to its uni-  
21 versity venture development fund be held and invested by the university's  
22 affiliated foundation. Any moneys held by an affiliated foundation under this  
23 section or ORS 351.697 are not subject to the provisions of ORS chapter 293  
24 or 295 and may not be considered public or state funds for any purpose.  
25 Moneys transferred to an affiliated foundation under this section or ORS  
26 351.697 may be used only as provided under ORS 351.692, 351.695, 351.697 and  
27 353.445.

28 (4) At the request of a university within the Oregon University System,  
29 moneys in the Higher Education Donation Fund that were deposited by the  
30 university under this section may be transferred to the university's affiliated  
31 foundation.

1 (5) A university within the Oregon University System or the Oregon  
 2 Health and Science University may retain or may elect to have its affiliated  
 3 foundation retain some or all of the principal contributed to a university  
 4 venture development fund for investment to perpetuate and increase the  
 5 moneys available for expenditure. The balance of the fund and the earnings  
 6 on that balance may be used as provided under ORS 351.692, 351.695, 351.697  
 7 and 353.445.

8 **SECTION 82.** ORS 391.520 is amended to read:

9 391.520. The Oregon Mass Transportation Financing Authority is hereby  
 10 created as a public instrumentality of the State of Oregon and the exercise  
 11 by the authority of the powers conferred by ORS 267.227 and 391.500 to  
 12 391.660 is the performance of an essential public function. The authority  
 13 shall consist of the chairperson of the Oregon Transportation Commission,  
 14 the State Treasurer, or designee, the [*chairperson*] **executive director** of the  
 15 Oregon Investment [*Council*] **Corporation**, or designee, and a representative  
 16 designated by the board of directors of each district.

17 **SECTION 83.** ORS 391.605 is amended to read:

18 391.605. (1) [*No*] **A** transfer authorized by ORS 267.020 of a mass transit  
 19 district system to a metropolitan service district [*shall*] **may not** take effect  
 20 while bonds issued by the Oregon Mass Transportation Financing Authority  
 21 to finance mass transit facilities for the district are outstanding until a plan  
 22 designed to repay any outstanding bonds when due is prepared by the gov-  
 23 erning body of the metropolitan service district and approved by:

24 (a) The chairperson of the Oregon Transportation Commission or the  
 25 chairperson's designee;

26 (b) The State Treasurer or State Treasurer's designee; and

27 (c) The [*chairperson*] **executive director** of the Oregon Investment  
 28 [*Council*] **Corporation** or the [*chairperson's*] **executive director's** designee.

29 (2) Persons given authority to approve a transfer under subsection (1) of  
 30 this section may only refuse to approve a transfer for reasons relating to the  
 31 financial effect of the transfer.

1        **SECTION 84.** ORS 411.128 is amended to read:

2        411.128. (1) In addition to other funds made available for education and  
3 training of public assistance recipients, the Department of Human Services  
4 may accept gifts and grants from private sources for the purpose of providing  
5 the scholarships or grants authorized under ORS 411.580.

6        (2) **The Department of Human Services Scholarship Account is es-**  
7 **tablished, separate and distinct from the General Fund.** The moneys  
8 received under subsection (1) of this section shall be deposited in **the ac-**  
9 **count.** [*a special account, separate and distinct from the General Fund, to be*  
10 *named the Department of Human Services Scholarship Account, which account*  
11 *is established.*] All moneys in the account and all earnings thereon are con-  
12 tinuously appropriated to the Department of Human Services to be used to-  
13 gether with any federal funds that may be available to provide scholarships  
14 or grants under ORS 411.580.

15        (3) The amount in the Department of Human Services Scholarship Ac-  
16 count that is available after scholarships and grants under ORS 411.580 have  
17 been awarded for any period shall be reported to the Oregon Investment  
18 [*Council*] **Corporation** by the Department of Human Services and shall be  
19 considered investment funds within the meaning of ORS 293.701 to 293.820  
20 and shall be invested in accordance with the standards of ORS 293.726. All  
21 earnings on such investments shall be credited to the Department of Human  
22 Services Scholarship Account.

23        **SECTION 85.** ORS 456.530 is amended to read:

24        456.530. Notwithstanding [*ORS 293.721 and*] **the investment objective**  
25 **and standards set forth in section 4 of this 2013 Act and ORS 293.726**  
26 and subject to the provisions of any agreement with holders of bonds issued  
27 pursuant to ORS 456.519 or 456.524 (1979 Replacement Part), the Housing and  
28 Community Services Department may consider the willingness or commit-  
29 ment of a lending institution as defined in ORS 456.548 to make loans for  
30 residential housing as a factor in selecting depositaries and otherwise in-  
31 vesting funds held under ORS 456.515 to 456.725 in or through such lending

1 institutions.

2 **SECTION 86.** ORS 696.030 is amended to read:

3 696.030. (1) ORS 696.010 to 696.375, 696.392, 696.395 to 696.430, 696.490,  
4 696.600 to 696.785, 696.990 and 696.995 do not apply to:

5 (a) A nonlicensed individual who is a full-time employee of a single owner  
6 of real estate whose real estate activity involves the real estate of the em-  
7 ployer and:

8 (A) Is incidental to the employee's normal, nonreal estate activities; or

9 (B) Is the employee's principal activity, but the employer's principal ac-  
10 tivity or business is not the sale, exchange, lease option or acquisition of  
11 real estate.

12 (b) A nonlicensed individual who acts as attorney in fact under a duly  
13 executed power of attorney from the owner or purchaser authorizing the  
14 supervision of the closing of or supervision of the performance of a contract  
15 for the sale, leasing or exchanging of real estate if the power of attorney  
16 was executed prior to July 1, 2002, in compliance with the requirements of  
17 law at the time of execution or if:

18 (A) The power of attorney is recorded in the office of the recording officer  
19 for the county in which the real estate is located;

20 (B) The power of attorney specifically describes the real estate; and

21 (C) The individual does not use the power of attorney as a device to en-  
22 gage in professional real estate activity without obtaining the necessary real  
23 estate license.

24 (c) A nonlicensed individual who acts as attorney in fact under a duly  
25 executed power of attorney in which the authorized agent is the spouse of  
26 the principal, or the child, grandchild, parent, grandparent, sibling, aunt,  
27 uncle, niece or nephew of the principal or of the spouse of the principal,  
28 authorizing real estate activity if the power of attorney is recorded in the  
29 office of the recording officer for the county in which the real estate to be  
30 sold, leased or exchanged is located.

31 (d) A nonlicensed individual who is an attorney at law rendering services

1 in the performance of duties as an attorney at law.

2 (e) A nonlicensed individual who acts in the individual's official capacity  
3 as a receiver, a conservator, a trustee in bankruptcy, a personal represen-  
4 tative or a trustee, or a regular salaried employee of the trustee, acting un-  
5 der a trust agreement, deed of trust or will.

6 (f) A nonlicensed individual who performs an act of professional real es-  
7 tate activity under order of a court.

8 (g) A nonlicensed individual who is a regular full-time employee of a  
9 single corporation, partnership, association, limited liability company or  
10 nonlicensed individual owner of real property acting for the corporation,  
11 partnership, association, limited liability company or nonlicensed individual  
12 owner in the rental or management of the real property, but not in the sale,  
13 exchange, lease option or purchase of the real property.

14 (h) An individual who is a registered professional engineer or architect  
15 rendering services in performance of duties as a professional engineer or  
16 architect.

17 (i) A nonlicensed individual who is employed by a real estate broker or  
18 principal real estate broker and who acts as a manager for real estate if the  
19 real estate activity of the nonlicensed individual is limited to negotiating  
20 rental or lease agreements, checking tenant and credit references, physically  
21 maintaining the real estate, conducting tenant relations, collecting the rent,  
22 supervising the premises' managers and discussing financial matters relating  
23 to management of the real estate with the owner.

24 (j) An individual who sells or leases cemetery lots, parcels or units while  
25 engaged in the disposition of human bodies under ORS 97.010 to 97.040, 97.110  
26 to 97.450, 97.510 to 97.730, 97.810 to 97.920 and 97.990 or an employee of the  
27 nonlicensed individual performing similar activities.

28 (k) An individual who is a salaried employee of the State of Oregon, or  
29 any of its political subdivisions, engaging in professional real estate activity  
30 as a part of such employment.

31 (L) A nonlicensed individual who analyzes or provides advice regarding

1 permissible land use alternatives, environmental impact, building and use  
2 permit procedures or demographic market studies, or a regular full-time em-  
3 ployee of the nonlicensed individual performing similar activities. This ex-  
4 clusion does not apply to the handling of transactional negotiations for  
5 transfer of an interest in real estate.

6 (m) An individual who is a hotelkeeper or innkeeper as defined by ORS  
7 699.005 arranging the rental of transient lodging at a hotel or inn in the  
8 course of business as a hotelkeeper or innkeeper.

9 (n) An individual who is a travel agent arranging the rental of transient  
10 lodging at a hotel or inn as defined in ORS 699.005 in the course of business  
11 as a travel agent for compensation. For the purpose of this paragraph,  
12 “travel agent” means a person, and employees of the person, regularly re-  
13 presenting and selling travel services to the public directly or indirectly  
14 through other travel agents.

15 (o) An individual who is a common carrier arranging the rental of tran-  
16 sient lodging at a hotel or inn as defined in ORS 699.005 in the course of  
17 business as a common carrier. For the purpose of this paragraph, “common  
18 carrier” means a person that transports or purports to be willing to transport  
19 individuals from place to place by rail, motor vehicle, boat or aircraft for  
20 hire, compensation or consideration.

21 (p) An individual who is a hotel representative arranging the rental of  
22 transient lodging at a hotel or inn as defined in ORS 699.005 in the course  
23 of business as a hotel representative. For the purpose of this paragraph,  
24 “hotel representative” means a person that provides reservations or sale  
25 services to independent hotels, airlines, steamship companies and government  
26 tourist agencies.

27 (q) A nonlicensed individual transferring or acquiring an interest in real  
28 estate owned or to be owned by the individual.

29 (r) An individual who is a general partner for a domestic or foreign lim-  
30 ited partnership duly registered and operating within this state under ORS  
31 chapter 70 engaging in the sale of limited partnership interests and the ac-

1 quisation, sale, exchange, lease, transfer or management of the real estate  
2 of the limited partnership.

3 (s) An individual who is a membership camping contract broker or  
4 salesperson registered with the Real Estate Agency selling membership  
5 camping contracts.

6 (t) An individual who is a professional forester or farm manager engaging  
7 in property management activity on forestland or farmland when the activity  
8 is incidental to the nonreal estate duties involving overall management of  
9 forest or farm resources.

10 (u) An individual who is a registered investment adviser under the In-  
11 vestment Advisers Act of 1940, 15 U.S.C. §80b-1 et seq., rendering real estate  
12 investment services for the office of the State Treasurer or the Oregon In-  
13 vestment [*Council*] **Corporation**.

14 (v) A nonlicensed individual who refers a new tenant for compensation  
15 to a real estate licensee acting as the property manager for a residential  
16 building or facility while the individual resides in the building or facility  
17 or within six months after termination of the individual's tenancy.

18 (w) A nonlicensed individual who gives an opinion in an administrative  
19 or judicial proceeding regarding the value of real estate for taxation or re-  
20 presenting a taxpayer under ORS 305.230 or 309.100.

21 (x) A nonlicensed individual acting as a paid fiduciary whose real estate  
22 activity is limited to negotiating or closing a transaction to obtain the ser-  
23 vices of a real estate licensee.

24 (y) A nonlicensed individual who is a fiduciary under a court order,  
25 without regard to whether the court order specifically authorizes real estate  
26 activity.

27 (z) An individual who is a representative of a financial institution or  
28 trust company, as those terms are defined in ORS 706.008, that is attorney  
29 in fact under a duly executed power of attorney from the owner or purchaser  
30 authorizing real estate activity, if the power of attorney is recorded in the  
31 office of the county clerk for the county in which the real estate to be sold,



1 leased or exchanged is located.

2 (aa) An individual who is the sole member or a managing member of a  
3 domestic or foreign limited liability company duly registered and operating  
4 within this state under ORS chapter 63 and who is engaging in the acqui-  
5 sition, sale, exchange, lease, transfer or management of the real estate of the  
6 limited liability company.

7 (bb) An individual who is a partner in a partnership as defined in ORS  
8 67.005 and who is engaging in the acquisition, sale, exchange, lease, transfer  
9 or management of the real estate of the partnership.

10 (cc) An individual who is an officer or director of a domestic or foreign  
11 corporation duly registered and operating within this state under ORS  
12 chapter 60 and who is engaging in the acquisition, sale, exchange, lease,  
13 transfer or management of the real estate of the corporation.

14 (2) The vesting of title to real estate in more than one person by tenancy  
15 by the entirety, tenancy in common or by survivorship shall be construed as  
16 that of a single owner for the purposes of this section.

17 **SECTION 87.** Section 3, chapter 72, Oregon Laws 2012, is amended to  
18 read:

19 **Sec. 3.** (1) The Oregon Investment [*Council and the State Treasurer, in*  
20 *the State Treasurer's role as investment officer for the council,*] **Corporation**  
21 shall act reasonably and in a manner consistent with fiduciary standards,  
22 including the provisions of ORS [293.721 and] 293.726 **and section 4 of this**  
23 **2013 Act**, to try to ensure that managers who are engaged by the [*council*  
24 *or the State Treasurer*] **corporation** for the active management of investment  
25 funds consisting of the Public Employees Retirement Fund referred to in  
26 ORS 238.660, through the purchase and sale of publicly traded equities, are  
27 not investing in publicly traded equities of any scrutinized company.

28 (2) Subsection (1) of this section does not apply to investments indirectly  
29 made through index funds, fund of funds or privately placed investments.

30 **SECTION 88.** Section 4, chapter 72, Oregon Laws 2012, is amended to  
31 read:

1       **Sec. 4.** (1) Consistent with fiduciary standards, including the provisions  
2 of ORS [293.721 and] 293.726 **and section 4 of this 2013 Act**, the [*State*  
3 *Treasurer*] **board of directors of the Oregon Investment Corporation**  
4 shall adopt a statement of policy that describes a process of engagement with  
5 managers who:

6       (a) Are engaged by the [*Oregon Investment Council or the State*  
7 *Treasurer*] **corporation** for the active management of investment funds con-  
8 sisting of the Public Employees Retirement Fund referred to in ORS 238.660  
9 through the purchase and sale of publicly traded equities; and

10       (b) Have invested such funds in scrutinized companies.

11       (2) The policy required under subsection (1) of this section must require  
12 the [*State Treasurer*] **corporation**, to the extent practicable, to identify and  
13 send a written notice to the managers described in subsection (1) of this  
14 section. The notice shall encourage the managers, consistent with fiduciary  
15 standards, including the provisions of ORS [293.721 and] 293.726 **and section**  
16 **4 of this 2013 Act**, to:

17       (a) Notify scrutinized companies with which the managers have made in-  
18 vestments of the [*State Treasurer's*] **corporation's** policy adopted pursuant  
19 to subsection (1) of this section; and

20       (b) Not later than 90 days **after** giving the notice, end investments in the  
21 scrutinized companies and avoid future investments in the scrutinized com-  
22 panies, as long as the managers may do so without monetary loss through  
23 reasonable, prudent and productive investments in companies generating re-  
24 turns that are comparable to the returns generated by the scrutinized com-  
25 panies.

26       (3) A notice given by a manager to a scrutinized company under sub-  
27 section (2) of this section shall advise the scrutinized company that the  
28 scrutinized company may comment in writing to the [*State Treasurer*] **cor-**  
29 **poration** to dispute the identification of the company as a scrutinized com-  
30 pany.

31       (4) If the [*State Treasurer*] **corporation** determines that a company given

1 notice under subsection (3) of this section is not a scrutinized company, the  
2 [State Treasurer] **corporation** shall notify the relevant manager of the de-  
3 termination.

4 [(5) The State Treasurer shall advise the Oregon Investment Council if a  
5 manager to whom the notice was given under subsection (2) of this section has  
6 not informed the State Treasurer within 180 days after the date the notice was  
7 given that the manager has ended the manager's investment in scrutinized  
8 companies or plans to divest from the manager's investment in scrutinized  
9 companies.]

10 **SECTION 89.** Section 5, chapter 72, Oregon Laws 2012, is amended to  
11 read:

12 **Sec. 5.** On or before March 15 of each year, the [State Treasurer] **Oregon**  
13 **Investment Corporation** shall make available on the **corporation's or the**  
14 State Treasurer's website a summary of actions taken during the previous  
15 year in accordance with sections 2 to 6, **chapter 72, Oregon Laws 2012** [of  
16 *this 2012 Act*]. The summary shall include a list of identified scrutinized  
17 companies.

18 **SECTION 90.** Section 6, chapter 72, Oregon Laws 2012, is amended to  
19 read:

20 **Sec. 6.** (1) Sections 4 (2) to [(5)] (4) and 5, **chapter 72, Oregon Laws**  
21 **2012**, [of *this 2012 Act*] apply only if the Legislative Assembly appropriates  
22 sufficient moneys to the [State Treasurer] **Oregon Investment**  
23 **Corporation**, other than moneys described in ORS 293.718, to administer  
24 sections 4 (2) to [(5)] (4) and 5, **chapter 72, Oregon Laws 2012** [of *this 2012*  
25 *Act*].

26 (2) Any costs incurred by the [State Treasurer] **corporation** in adminis-  
27 tering sections 2 to 6, **chapter 72, Oregon Laws 2012**, [of *this 2012 Act*] may  
28 not be paid from investment funds.

29 **SECTION 91.** Section 7, chapter 72, Oregon Laws 2012, is amended to  
30 read:

31 **Sec. 7.** The [State Treasurer] **Oregon Investment Corporation** shall

1 first make available on the **corporation's or the** State Treasurer's website  
2 the information required under section 5, **chapter 72, Oregon Laws 2012,**  
3 [*of this 2012 Act*] not later than September 1, 2013.

4 **SECTION 92.** ORS 128.316 is amended to read:

5 128.316. As used in ORS 128.305 to 128.336:

6 (1) "Charitable purpose" means the relief of poverty, the advancement of  
7 education or religion, the promotion of health, the promotion of a govern-  
8 mental purpose or any other purpose the achievement of which is beneficial  
9 to the community.

10 (2) "Endowment fund" means an institutional fund or part of an institu-  
11 tional fund that, under the terms of a gift instrument, is not wholly ex-  
12 pendable by the institution on a current basis. "Endowment fund" does not  
13 include assets that an institution designates as an endowment fund for the  
14 institution's own use.

15 (3) "Gift instrument" means a record or records, including an institutional  
16 solicitation, under which property is granted to, transferred to or held by  
17 an institution as an institutional fund.

18 (4) "Institution" means:

19 (a) A person, other than an individual, organized and operated exclusively  
20 for charitable purposes;

21 (b) A government or governmental subdivision, agency or instrumentality,  
22 to the extent that it holds funds exclusively for a charitable purpose; and

23 (c) A trust that had both charitable and noncharitable interests, after all  
24 noncharitable interests have terminated.

25 (5) "Institutional fund" means a fund held by an institution exclusively  
26 for charitable purposes. "Institutional fund" does not include:

27 (a) Program-related assets;

28 (b) A fund held for an institution by a trustee that is not an institution;

29 (c) A fund in which a beneficiary that is not an institution has an inter-  
30 est, other than an interest that could arise upon violation or failure of the  
31 purposes of the fund; or

1 (d) A fund managed by the State Treasurer **or the Oregon Investment**  
2 **Corporation**, moneys held by the State Treasurer **or the corporation** for  
3 investment or moneys managed or held for investment by or on behalf of the  
4 State Treasurer **or the corporation** under ORS chapter 293 or 348.

5 (6) "Person" means an individual, corporation, business trust, estate,  
6 trust, partnership, limited liability company, association, joint venture, pub-  
7 lic corporation, government or governmental subdivision, agency or  
8 instrumentality, or any other legal or commercial entity.

9 (7) "Program-related asset" means an asset held by an institution prima-  
10 rily to accomplish a charitable purpose of the institution and not primarily  
11 for investment.

12 (8) "Record" means information that is inscribed on a tangible medium  
13 or that is stored in an electronic or other medium and is retrievable in  
14 perceivable form.

15 **SECTION 93.** ORS 285A.306 is amended to read:

16 285A.306. (1) There is established in the State Treasury, separate and  
17 distinct from the General Fund, the Title I Bank Fund. All moneys in the  
18 fund are continuously appropriated to the Oregon Business Development  
19 Department for the Oregon Infrastructure Finance Authority to provide fi-  
20 nancing for community development projects. Interest earned by the Title I  
21 Bank Fund shall be credited to the fund.

22 (2) Moneys in the Title I Bank Fund[, *with the approval of the State*  
23 *Treasurer,*] may be invested as provided by ORS 293.701 to 293.820, and the  
24 earnings from such investments and other program income shall be credited  
25 to the Title I Bank Fund.

26 (3) The Title I Bank Fund shall consist of:

27 (a) Moneys appropriated to the fund by the Legislative Assembly.

28 (b) Repayment of loans made by cities and counties with grants from the  
29 Oregon Community Development Block Grant Program, including interest  
30 earnings.

31 (4) The Oregon Infrastructure Finance Authority shall administer the

1 fund.

2 (5) The department shall adopt rules and policies for the administration  
3 of the fund.

4 (6) The authority may charge program administrative costs to the fund  
5 to pay for administrative expenses incurred to the authority for processing  
6 applications and investigating community development projects.

7 **SECTION 94.** ORS 285A.654 is amended to read:

8 285A.654. (1) There is created within the State Treasury, separate and  
9 distinct from the General Fund, the Port Planning and Marketing Fund. All  
10 moneys in the Port Planning and Marketing Fund are appropriated contin-  
11 uously to the Oregon Business Development Department for the Oregon  
12 Infrastructure Finance Authority and shall be used by the authority for:

13 (a) Administrative expenses of the authority in processing grant applica-  
14 tions and investigating proposed planning or marketing projects related to  
15 ports.

16 (b) Payment of grants under ORS 285A.654 to 285A.660 to ports formed  
17 under ORS 777.010 and 777.050.

18 (c) Direct purchase by the authority of goods or services to assist ports  
19 in implementing planning or marketing projects approved for grant financing  
20 under ORS 285A.654 to 285A.660.

21 (2) The Port Planning and Marketing Fund shall consist of:

22 (a) Moneys appropriated to the fund by the Legislative Assembly.

23 (b) Moneys obtained from gifts or grants received under ORS 285A.200.

24 (c) Moneys obtained from interest earned on the investment of such  
25 moneys.

26 (3) Moneys in the Port Planning and Marketing Fund[, *with the approval*  
27 *of the State Treasurer,*] may be invested as provided by ORS 293.701 to  
28 293.820, and the earnings from such investments shall be credited to the Port  
29 Planning and Marketing Fund.

30 **SECTION 95.** ORS 285B.119 is amended to read:

31 285B.119. (1) There is established in the State Treasury, separate and

1 distinct from the General Fund, the Capital Access Fund. All moneys in the  
2 fund are continuously appropriated to the Oregon Business Development  
3 Department for the purpose of making payments to loss reserve accounts  
4 established under ORS 285B.109 to 285B.119.

5 (2) Moneys in the Capital Access Fund[, *with the approval of the State*  
6 *Treasurer,*] may be invested as provided by ORS 293.701 to 293.820, and the  
7 earnings from such investment shall be credited to the Capital Access Fund.

8 (3) The Capital Access Fund shall consist of:

9 (a) Moneys appropriated to the fund by the Legislative Assembly.

10 (b) Interest earned on moneys in the fund.

11 (c) Moneys returned to the fund from loss reserve accounts or other  
12 sources.

13 (4) If the department deems retrieval of interest earned on loss reserve  
14 accounts appropriate, the department may transfer into the fund up to 50  
15 percent of the interest earned on moneys in loss reserve accounts.

16 (5) The department may charge administrative costs to the fund to pay for  
17 actual and necessary administrative expenses incurred by the department in  
18 administering the fund and establishing and maintaining loss reserve ac-  
19 counts under ORS 285B.109 to 285B.119.

20 **SECTION 96.** ORS 286A.025 is amended to read:

21 286A.025. (1) The State Treasurer may, at the request of a related agency:

22 (a) Issue bonds when a law of the State of Oregon authorizes bonds to  
23 be issued; and

24 (b) Issue refunding bonds without additional authorization.

25 (2) In consultation with the related agency, the State Treasurer may:

26 (a) Sell bonds at a competitive sale or a negotiated sale or in any other  
27 manner determined by the State Treasurer;

28 (b) Issue bonds the interest of which is exempt from federal income tax-  
29 ation or is not exempt from federal income taxation;

30 (c) Establish the principal amounts, redemption provisions, optional or  
31 mandatory tender provisions, interest rates or methods for determining var-

1 iable or adjustable interest rates, denominations and other terms and condi-  
2 tions of the bonds;

3 (d) Establish maturity dates for bonds to provide for short-term, interim  
4 or long-term borrowing;

5 (e) Determine the form and content of a bond offering or disclosure doc-  
6 ument;

7 (f) Structure, market and issue bonds in the manner that the State  
8 Treasurer determines is in the best interest of the people of the State of  
9 Oregon; and

10 (g) Invest moneys held in connection with or derived from obligations, as  
11 defined in ORS 286A.100, without regard to the fund or account to which the  
12 moneys are credited under other provisions of law, alone or with other in-  
13 vested moneys. In addition, the State Treasurer may:

14 (A) Establish funds and accounts separate and distinct from the General  
15 Fund in order [*to invest*] **that** the moneys **may be invested** as provided in  
16 ORS 293.701 to 293.820 and to arrange for redemption or purchase of bonds;  
17 and

18 (B) Segregate or pool moneys in order to promote financial and adminis-  
19 trative efficiency and prudence in the management of moneys derived from  
20 obligations, as defined in ORS 286A.100, moneys available for bond repay-  
21 ment and other moneys, and in the administration of bond programs.

22 (3) Subject to the approval of the State Treasurer, moneys described in  
23 subsection (2)(g) of this section may be held by a trustee under a trust  
24 agreement, indenture, bond declaration or similar instrument and may be  
25 invested by the trustee at the direction of the related agency for which the  
26 moneys are held by the trustee. If consistent with the trust agreement,  
27 indenture, bond declaration or similar instrument, a related agency may au-  
28 thorize a trustee to invest on behalf of the agency in the investment funds  
29 or with other moneys invested [*by the State Treasurer*] under ORS 293.701 to  
30 293.820 and may authorize a transfer of the moneys from the State Treasurer  
31 to the trustee.



1 (4) In addition to authority conferred by law other than this section, the  
2 State Treasurer or, with the approval of the State Treasurer, a related  
3 agency may:

4 (a) Execute and deliver indentures, trust agreements, auction agent  
5 agreements, broker-dealer agreements, tender agent agreements, bond decla-  
6 rations or similar instruments and other contracts related to the sale, issu-  
7 ance or security of the bonds;

8 (b) Deposit funds with trustees for the benefit of bond owners and the  
9 providers of credit enhancement devices; and

10 (c) Enter into covenants for the benefit of bond owners or the providers  
11 of credit enhancement devices.

12 (5) The covenants authorized by subsection (4)(c) of this section:

13 (a) May include, but are not limited to, covenants regarding the issuance  
14 of additional bonds, the priority of payment of bonds and, if authorized by  
15 law other than this section, the imposition and collection of rates, fees or  
16 other charges; and

17 (b) Are intended to:

18 (A) Improve the security of bond owners or providers of credit enhance-  
19 ment devices; or

20 (B) Maintain the tax-exempt status of interest payable on bonds.

21 (6) In addition to authority conferred by law other than this section, in  
22 consultation with the related agency, the State Treasurer may establish a  
23 debt service reserve for the purpose of paying when due the amounts owing  
24 on the bonds for which the debt service reserve is established. The debt  
25 service reserve may be funded out of the proceeds derived from the issuance  
26 and sale of the bonds for which the debt service reserve is being established  
27 or from other lawfully available funds.

28 (7) In consultation with the related agency, the State Treasurer shall se-  
29 lect the underwriters for the sale of the bonds requested by the related  
30 agency. An agreement with the underwriters may be executed by the State  
31 Treasurer alone or with the related agency. An agreement with underwriters

1 is not subject to the Public Contracting Code.

2 **SECTION 97.** ORS 294.730 is amended to read:

3 294.730. (1) There is created a Local Government Employer Benefit Trust  
4 Fund, separate and distinct from the General Fund. The [*State Treasurer*  
5 *shall be*] **Oregon Investment Corporation** is the custodian of [*such*] **the**  
6 fund and the fund shall consist of:

7 (a) All moneys received from political subdivisions under the provisions  
8 of ORS 293.701, 294.725 to 294.755 and 657.513;

9 (b) Interest earned upon any moneys in the fund;

10 (c) Moneys transferred from other funds to cover shortages in the fund;  
11 and

12 (d) All other moneys received from a political subdivision to be applied  
13 against benefit payment charges for any period the political subdivision has  
14 requested the Employment Department to reimburse the Unemployment  
15 Compensation Trust Fund on its behalf.

16 (2) Moneys in the fund are continuously appropriated to the department  
17 and, notwithstanding ORS 657.505, shall be the sole source of funds for pay-  
18 ment to the Unemployment Compensation Trust Fund for benefits attribut-  
19 able to a political subdivision during its period of participation in the fund  
20 and repayment of advances and the interest thereon due to any shortages in  
21 the fund.

22 (3) Interest earned upon any moneys in the fund is continuously appro-  
23 priated to the department for the payment of:

24 (a) Administrative expenses of ORS 293.701, 294.725 to 294.755 and 657.513  
25 and expenses incurred in the investment of the fund in the amount author-  
26 ized by ORS 293.718;

27 (b) Erroneous benefit payments determined during the period in which a  
28 political subdivision is a participant in the fund; and

29 (c) Benefits attributed to a political subdivision that has ceased to exist,  
30 has no positive account balance and has no successor.

31 (4) When insufficient interest exists to pay obligations under subsection

1 (3) of this section, such amounts may be paid from the fund. When the fund  
2 again begins earning interest, all obligations paid pursuant to this sub-  
3 section shall be repaid to the fund before any allocation is made under sub-  
4 section (5) of this section.

5 (5) As soon as possible after the end of each calendar quarter, the [*State*  
6 *Treasurer*] **corporation** shall review the applicable quarterly interest  
7 earnings and payments made therefrom and distribute any excess interest  
8 earnings to the political subdivision accounts that had a positive balance on  
9 the last day of the applicable quarter. Such allocation shall be in a ratio that  
10 the political subdivision positive account balance on the last day of the  
11 calendar quarter bears to the total balance of all political subdivisions with  
12 positive account balances on the last day of the calendar quarter. The  
13 amounts distributed for the quarter ending June 30 shall be included in the  
14 account reserve ratio determination for such June 30.

15 (6) The Director of the Employment Department is authorized to requisiti-  
16 tion from the fund such amounts determined to be necessary for the payment  
17 of benefits attributable to wages of political subdivisions.

18 (7) Interest accrued each quarter on advances pursuant to subsection (2)  
19 of this section shall be allocated each quarter to those political subdivision  
20 accounts with a negative balance on the last day of such calendar quarter.  
21 The allocation shall be in a ratio that the political subdivision negative ac-  
22 count balance on the last day of the calendar quarter bears to the total  
23 balance of all political subdivisions with negative account balances on the  
24 last day of the calendar quarter. The amounts allocated for the quarter  
25 ending June 30 shall be included in the account reserve ratio determination  
26 for such June 30.

27 **SECTION 98.** ORS 351.086, as amended by section 48, chapter 104, Oregon  
28 Laws 2012, is amended to read:

29 351.086. (1) Except as otherwise provided in this chapter and ORS chapter  
30 352, the provisions of ORS chapters 182, 240, 270, 273, 276, 278, 279A, 279B,  
31 279C, 282, 283, 291 and 292 and ORS 180.060, 180.160, 180.210, 180.220, 180.225

1 and 180.230 do not apply to the Oregon University System.

2 (2) Notwithstanding subsection (1) of this section, the provisions of ORS  
3 182.100, 182.109, 240.167, 276.073 to 276.090, 279A.065 (2), 279B.055 (3), 279C.380  
4 (1)(a) and (3), 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825, 279C.830,  
5 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870,  
6 283.085 to 283.092, 291.200, 291.201 to 291.222, 291.223, 291.224 (2) and (6),  
7 291.226, 291.272 to 291.278, 291.322 to 291.334, 291.405, 291.407, 291.445, 292.043  
8 and 292.044 apply to the Oregon University System.

9 (3) Notwithstanding subsection (1) of this section, ORS 273.413 to 273.456  
10 apply to any structure, equipment or asset owned by the Oregon University  
11 System that is encumbered by a certificate of participation.

12 (4) Notwithstanding subsection (6) of this section:

13 (a) The provisions of ORS chapters 35, 190, 192, 244 and 297 and ORS  
14 30.260 to 30.460, 184.480, 184.483, 184.486, 184.488, 200.005 to 200.025, 200.045  
15 to 200.090, 200.100 to 200.120, 200.160 to 200.200, 236.605 to 236.640, 243.650 to  
16 243.782, 243.800, 243.820, 243.830, 243.850, 243.910 to 243.945, 307.090 and  
17 307.112 apply to the Oregon University System under the same terms as they  
18 apply to other public bodies other than the State of Oregon.

19 (b) The provisions of ORS chapter 286A and ORS 293.115, 293.117, 293.130,  
20 293.169, 293.171, 293.205 to 293.225, 293.250, 293.265 to 293.280, 293.285, 293.295,  
21 293.321, 293.353, 293.375, 293.406, 293.465 to 293.485, 293.490, 293.495, 293.525,  
22 293.701 to 293.820, 293.875, 293.880 and 293.990 apply to the Oregon University  
23 System under the same terms as they apply to state agencies with moneys  
24 held by the State Treasurer **or the Oregon Investment Corporation**, to the  
25 Oregon University System Fund established in ORS 351.506 and to any other  
26 moneys deposited with or held by the State Treasurer **or the corporation**  
27 for the Oregon University System.

28 (5) Notwithstanding subsections (1) and (6) of this section, the Oregon  
29 University System and its agents and employees remain subject to all stat-  
30 utes and administrative rules of this state that create rights, benefits or  
31 protections in favor of military veterans, service members and families of

1 service members to the same extent as an agency of this state would be  
2 subject to such statutes and administrative rules.

3 (6)(a) Except as provided by paragraph (b) of this subsection, the Oregon  
4 University System, as a distinct governmental entity, is not subject to any  
5 provision of law enacted after January 1, 2011, with respect to any govern-  
6 mental entity, that is unique to governmental entities, unless the provision  
7 specifically provides that it applies to the Oregon University System.

8 (b) To the same extent as state agencies that borrow through the State  
9 Treasurer or that have moneys held in the State Treasury, the Oregon Uni-  
10 versity System is subject to any provision of law enacted after January 1,  
11 2011, that relates to or affects the borrowings of the Oregon University  
12 System through the State Treasurer or the deposit, payment or investment  
13 of moneys held in the Oregon University System Fund or any other moneys  
14 held for the Oregon University System in the State Treasury.

15 (7) In carrying out the duties, functions and powers imposed by law upon  
16 the Oregon University System, the State Board of Higher Education or the  
17 Chancellor of the Oregon University System may contract with any public  
18 agency for the performance of such duties, functions and powers as the board  
19 or chancellor considers appropriate.

20 **SECTION 99.** ORS 367.015 is amended to read:

21 367.015. (1) There is established in the State Treasury, separate and dis-  
22 tinct from the General Fund, the Oregon Transportation Infrastructure Fund.  
23 All moneys in the infrastructure fund are continuously appropriated to the  
24 Department of Transportation for the purposes of ORS 367.010 to 367.067.

25 (2) The infrastructure fund consists of:

26 (a) Moneys appropriated to the infrastructure fund by the Legislative  
27 Assembly.

28 (b) Moneys transferred to the infrastructure fund by the department from  
29 the State Highway Fund or from other funds available to the Oregon  
30 Transportation Commission.

31 (c) Moneys from any federal grant, state grant or other grant that are

1 deposited in the infrastructure fund.

2 (d) Proceeds of infrastructure bonds.

3 (e) Proceeds of Highway User Tax Bonds issued under ORS 367.615 for the  
4 purpose of providing infrastructure assistance or an infrastructure loan.

5 (f) Moneys due to a municipality that are withheld pursuant to ORS  
6 367.035 (3) or (5) and, for a loan made with proceeds of Highway User Tax  
7 Bonds, moneys due to a municipality that are withheld pursuant to ORS  
8 367.655 (2)(c).

9 (g) Earnings on the infrastructure fund.

10 (h) Moneys paid to the department in connection with infrastructure  
11 loans or infrastructure assistance.

12 (i) Any grants or donations made to the State of Oregon for deposit in the  
13 infrastructure fund.

14 (3) A pledge by the department of its revenues or other moneys in the  
15 infrastructure fund is valid and binding from the time the pledge is made as  
16 provided in ORS 286A.102.

17 (4) The department shall use moneys in the infrastructure fund solely to:

18 (a) Provide infrastructure loans and infrastructure assistance;

19 (b) Pay the bond debt service for infrastructure bonds and pay the costs  
20 of issuance and other costs related to infrastructure bonds;

21 (c) Pay the department's costs of administering the infrastructure fund  
22 and providing infrastructure loans and infrastructure assistance, including  
23 any costs of monitoring transportation projects and obtaining repayment of  
24 infrastructure loans and infrastructure assistance;

25 (d) Pay the department's or another public entity's costs for transporta-  
26 tion projects including, but not limited to, projects funded with the proceeds  
27 of Highway User Tax Bonds; and

28 (e) Ensure repayment of loan guarantees or extensions of credit as pro-  
29 vided in ORS 367.816.

30 (5) The department may establish separate accounts in the infrastructure  
31 fund for infrastructure loans, infrastructure assistance, the funding of

1 infrastructure bond reserves, bond debt service payments for infrastructure  
2 bonds and related costs, administrative and operating expenses or any other  
3 purpose necessary or desirable for carrying out the purposes of ORS 367.010  
4 to 367.067. The commission may adopt rules that govern how the  
5 infrastructure fund and its accounts are used. The infrastructure fund or any  
6 of its accounts may be held by an escrow agent or bond trustee.

7 (6) The department shall administer the infrastructure fund. Moneys in  
8 the infrastructure fund[, *with the approval of the State Treasurer,*] may be  
9 invested as provided by ORS 293.701 to 293.820 and the earnings from such  
10 investments must be credited to the account in the infrastructure fund des-  
11 ignated by the department.

12 **SECTION 100.** ORS 390.135 is amended to read:

13 390.135. (1) Of the moneys deposited into the Parks and Natural Resources  
14 Fund created under ORS 541.940 from the Oregon State Lottery, 50 percent  
15 shall be deposited into a Parks Subaccount. The [*State Treasurer*] **Oregon**  
16 **Investment Corporation** may invest and reinvest the moneys in the Parks  
17 Subaccount as provided in ORS 293.701 to 293.820. Interest from the moneys  
18 deposited in the Parks Subaccount and earnings from investment of the  
19 moneys in the subaccount shall be credited to the subaccount.

20 (2) Moneys deposited from the Oregon State Lottery to the Parks Subac-  
21 count may be used only for:

22 (a) Maintaining, constructing, improving, developing, managing and op-  
23 erating state parks, ocean shores, public beach access areas, historic sites,  
24 natural areas and outdoor and recreation areas;

25 (b) Acquiring real property, or interests in real property, that has signif-  
26 icant natural, scenic, cultural, historic or recreational value for the creation  
27 or operation of state parks, ocean shores, public beach access areas, outdoor  
28 recreation areas and historic sites; and

29 (c) Providing grants to regional or local government entities to acquire  
30 property for public parks, natural areas or outdoor recreation areas or to  
31 develop or improve public parks, natural areas or outdoor recreation areas.

1 (3) All moneys in the Parks Subaccount shall be transferred to the State  
2 Parks and Recreation Department Fund and used to carry out the purposes  
3 described in subsection (2) of this section by achieving each of the following:

4 (a) Providing additional public parks, natural areas or outdoor recreation  
5 areas to meet the needs of current and future residents of this state.

6 (b) Protecting natural, cultural, historic and outdoor recreational re-  
7 sources of statewide or regional significance.

8 (c) Managing public parks, natural areas and outdoor recreation areas to  
9 ensure the long-term ecological health of those parks and areas and to pro-  
10 vide for the enjoyment of those parks and areas by current and future resi-  
11 dents of this state.

12 (d) Providing diverse and equitable opportunities for residents of this  
13 state to experience nature and to participate in outdoor recreational activ-  
14 ities in state, regional, local or neighborhood public parks and recreation  
15 areas.

16 **SECTION 101.** ORS 391.800 is amended to read:

17 391.800. (1) There is established in the State Treasury, separate and dis-  
18 tinct from the General Fund, the Elderly and Disabled Special Transporta-  
19 tion Fund. All moneys in the Elderly and Disabled Special Transportation  
20 Fund are appropriated continuously to the Department of Transportation for  
21 payment of the department's administrative costs of the program and pay-  
22 ment to mass transit districts, transportation districts, Indian tribes and  
23 counties as provided in ORS 391.810.

24 (2) The Elderly and Disabled Special Transportation Fund shall consist  
25 of:

26 (a) Moneys transferred to the fund under ORS 184.642 and 323.455 (3);

27 (b) Other moneys appropriated to the fund by the Legislative Assembly;  
28 and

29 (c) Moneys obtained from interest earned on the investment of moneys in  
30 the fund.

31 (3) Moneys in the Elderly and Disabled Special Transportation Fund[,



1 *with the approval of the State Treasurer,]* may be invested as provided by ORS  
2 293.701 to 293.820, and the earnings from the investments shall be credited  
3 to the Elderly and Disabled Special Transportation Fund.

4 **SECTION 102.** ORS 426.506 is amended to read:

5 426.506. (1) There is created in the State Treasury, separate and distinct  
6 from the General Fund, the Community Mental Health Housing Fund. All  
7 earnings on investments of moneys in the Community Mental Health Hous-  
8 ing Fund shall accrue to the fund. Interest earned on moneys in the fund  
9 shall be credited to the fund. All moneys in the fund are continuously ap-  
10 propriated to the Oregon Health Authority to carry out the provisions of  
11 ORS 426.504.

12 (2) The Community Mental Health Housing Fund shall be administered  
13 by the authority to provide housing for persons with chronic mental illness.  
14 As used in this subsection, “housing” may include acquisition, maintenance,  
15 repair, furnishings and equipment.

16 (3)(a) There is established within the Community Mental Health Housing  
17 Fund a Community Housing Trust Account. [*With approval of the State*  
18 *Treasurer and*] Upon request of the Director of the Oregon Health Authority,  
19 moneys in the account may be invested as provided in ORS 293.701 to 293.820.

20 (b) Notwithstanding the provisions of ORS 270.150, the authority shall  
21 deposit into the Community Housing Trust Account the proceeds, less costs  
22 to the state, received by the authority from the sale of F. H. Dammasch State  
23 Hospital property under ORS 426.508. The authority may expend, for the  
24 purposes set forth in ORS 426.504, any earnings credited to the account, in-  
25 cluding any interest earned on moneys deposited in the account, and up to  
26 five percent of the sale proceeds initially credited to the account by the  
27 Oregon Department of Administrative Services. At least 95 percent of the  
28 sale proceeds shall remain in the account in perpetuity. Proceeds deposited  
29 in the account may not be commingled with proceeds from the sale of any  
30 surplus real property owned, operated or controlled by the authority and  
31 used as a state training center.

1 (c) Interest earned on moneys in the Community Housing Trust Account  
2 may be expended in the following manner:

3 (A) Seventy percent of interest earned on deposits in the account shall  
4 be expended for community housing purposes; and

5 (B) Thirty percent of interest earned on deposits in the account shall be  
6 expended for institutional housing purposes.

7 (d) Interest earned on deposits in the Community Housing Trust Account  
8 shall not be used to support operating expenses of the authority.

9 (4) The Community Mental Health Housing Fund shall consist of:

10 (a) Moneys appropriated to the fund by the Legislative Assembly;

11 (b) Sale proceeds and earnings from the account under subsection (3) of  
12 this section;

13 (c) Proceeds from the sale, transfer or lease of any surplus real property  
14 owned, operated or controlled by the authority and used as community  
15 housing;

16 (d) Moneys reallocated from other areas of the authority's budget;

17 (e) Interest and earnings credited to the fund; and

18 (f) Gifts of money or other property from any source, to be used for the  
19 purposes of developing housing for persons with chronic mental illness.

20 (5) The authority shall adopt policies:

21 (a) To establish priorities for the use of moneys in the Community Mental  
22 Health Housing Fund for the sole purpose of developing housing for persons  
23 with chronic mental illness;

24 (b) To match public and private moneys available from other sources for  
25 developing housing for persons with chronic mental illness; and

26 (c) To administer the fund in a manner that will not exceed the State  
27 Treasury's maximum cost per transaction.

28 (6) The authority shall collaborate with the Housing and Community  
29 Services Department to ensure the highest return and best value for com-  
30 munity housing from the Community Mental Health Housing Fund.

31 (7) The authority shall provide a report of revenues to and expenditures

1 from the Community Mental Health Housing Fund as part of its budget  
2 submission to the Governor and Legislative Assembly under ORS chapter  
3 291.

4 **SECTION 103.** ORS 456.535 is amended to read:

5 456.535. The money realized from the sale of each issue of bonds shall be  
6 credited to a special fund in the State Treasury, separate and distinct from  
7 the General Fund, to be designated the Elderly and Disabled Housing Fund.  
8 Moneys in the Elderly and Disabled Housing Fund are continuously appro-  
9 priated to the Housing and Community Services Department for the purpose  
10 of carrying out the provisions of ORS 456.515 to 456.725. Moneys in the fund  
11 may not be used for any other purpose, except that the moneys[, *with the*  
12 *approval of the State Treasurer,*] may be invested as provided by ORS 293.701  
13 to 293.820 and the earnings from the investments shall be deposited into the  
14 Elderly and Disabled Housing Sinking Fund maintained under ORS 456.543.

15 **SECTION 104.** ORS 456.543 is amended to read:

16 456.543. (1) The Housing and Community Services Department shall  
17 maintain, with the State Treasurer, an Elderly and Disabled Housing Sinking  
18 Fund, separate and distinct from the General Fund. The Elderly and Dis-  
19 abled Housing Sinking Fund shall provide for the payment of the principal  
20 and interest upon bonds issued under authority of Article XI-I(2), Oregon  
21 Constitution, and ORS 456.515 to 456.725. Moneys in the sinking fund are  
22 continuously appropriated to the department for such purpose. Moneys in the  
23 Elderly and Disabled Housing Sinking Fund may be invested [*by the State*  
24 *Treasurer*] as provided by ORS 286A.025 and 293.701 to 293.820 or, with the  
25 approval of the State Treasurer, by the Director of the Housing and Com-  
26 munity Services Department through a trustee. Investment earnings shall be  
27 credited to the Elderly and Disabled Housing Sinking Fund.

28 (2) The Elderly and Disabled Housing Sinking Fund shall consist of:

- 29 (a) All moneys received from contract or loan proceeds;  
30 (b) Bond reserves;  
31 (c) Other funds available for these purposes; and

1 (d) If necessary, state ad valorem taxes provided by Article XI-I(2), Oregon  
2 Constitution, and by ORS 456.515 to 456.725.

3 (3) The Elderly and Disabled Housing Sinking Fund shall not be used for  
4 any purpose other than that for which the fund was created provided, how-  
5 ever, that amounts on deposit in the fund may be applied to the payment of  
6 operating and administrative expenses of the department, including bond is-  
7 suance, administration and repayment costs, allocable to its elderly and dis-  
8 abled housing program under ORS 456.515 to 456.725, and for transfers under  
9 subsections (4) and (5) of this section. Should a balance remain therein after  
10 the purposes for which the fund was created have been fulfilled or after a  
11 reserve sufficient to meet all existing obligations and liabilities of the fund  
12 has been set aside, the surplus remaining may be transferred to the Elderly  
13 and Disabled Housing Fund at the direction of the department.

14 (4) The Director of the Housing and Community Services Department may  
15 transfer moneys from the Elderly and Disabled Housing Sinking Fund, with  
16 the approval of the State Treasurer, for the purpose of financing multifamily  
17 housing for the elderly and persons with disabilities. The State Treasurer  
18 shall approve such request if:

19 (a) The cash flow projection under ORS 286A.010 associated with the  
20 bonds shows that, for the term of the bonds outstanding at the time the di-  
21 rector transfers the moneys, remaining moneys in the sinking fund, together  
22 with expected loan proceeds and fund earnings, will continue to be adequate  
23 to pay bond principal, interest and administrative costs; and

24 (b) The transfer will not create the need for issuance of any bonds.

25 (5) The director shall deposit loan prepayments in the Elderly and Disa-  
26 bled Housing Fund, and lend such prepayments for the purpose of financing  
27 multifamily housing for the elderly and persons with disabilities for a term  
28 not exceeding the term of the bonds associated with the loan that was pre-  
29 paid, if the director determines that such a deposit and loan will not ad-  
30 versely affect the ability of the department to pay outstanding bonds.

31 **SECTION 105.** ORS 468.215 is amended to read:

1 468.215. The money realized from the sale of each issue of bonds under  
 2 ORS 468.195 shall be credited to a special fund in the State Treasury, sepa-  
 3 rate and distinct from the General Fund, to be designated the Pollution  
 4 Control Fund. Moneys in the Pollution Control Fund are continuously ap-  
 5 propriated to the Department of Environmental Quality for the purpose of  
 6 carrying out the provisions of ORS 468.195 to 468.260. Moneys in the fund  
 7 may not be used for any other purpose, except that these moneys[, *with the*  
 8 *approval of the State Treasurer,*] may be invested as provided by ORS 293.701  
 9 to 293.820, and the earnings from such investments shall be credited to the  
 10 Pollution Control Sinking Fund maintained under ORS 468.230.

11 **SECTION 106.** ORS 468A.490 is amended to read:

12 468A.490. (1) There is established within the State Treasury a fund known  
 13 as the Residential Solid Fuel Heating Air Quality Improvement Fund, sepa-  
 14 rate and distinct from the General Fund.

15 (2) All moneys appropriated or received as gifts or grants for the purposes  
 16 of this section shall be credited to the Residential Solid Fuel Heating Air  
 17 Quality Improvement Fund.

18 (3) [*The State Treasurer may invest and reinvest the*] Moneys in the fund  
 19 **may be invested and reinvested** as provided in ORS 293.701 to 293.820.  
 20 Interest from the moneys deposited in the fund and earnings from investment  
 21 of the moneys in the fund shall accrue to the fund.

22 (4) All moneys in the fund are continuously appropriated to the Depart-  
 23 ment of Environmental Quality to:

24 (a) Pay all costs incurred by the department for evaluating projects and  
 25 programs, including projects and programs proposed by local communities  
 26 or qualifying organizations, for project management and oversight of funds  
 27 awarded for projects and programs selected in accordance with this section  
 28 and for documenting the benefit to air quality from such projects;

29 (b) Fund the program established under subsection (5) of this section;

30 (c) Fund activities to enhance enforcement of ORS 468A.460 to 468A.515;

31 (d) Fund public education programs related to compliance with ORS

1 468A.460 to 468A.515; and

2 (e) Fund public education programs related to the benefits of the use of  
3 solid fuel burning devices certified pursuant to ORS 468A.460 to 468A.515.

4 (5) The department shall use moneys available under subsection (4) of this  
5 section to establish a program designed to reduce the emission of air con-  
6 taminants by providing grants, loans or other subsidies for the replacement  
7 or removal of solid fuel burning devices that were not certified by the de-  
8 partment pursuant to ORS 468A.465. In addition to any other requirements  
9 established by rules adopted by the Environmental Quality Commission, the  
10 program shall provide that:

11 (a) All forms of new high-efficiency, low air contaminant-emitting heating  
12 systems are allowed, except vent-free heating appliances;

13 (b) Any solid fuel burning device removed under the program must be  
14 destroyed;

15 (c) Any replacement device selected under the program must be installed  
16 in conformance with building code requirements and the manufacturer's  
17 specifications including but not limited to venting specifications; and

18 (d) To be eligible, program participants shall participate in any home  
19 energy audit program provided at no charge to the homeowner and shall  
20 obtain all information available regarding subsidies for cost-effective  
21 weatherization. The department shall make the information required in this  
22 subsection readily available to program participants.

23 (6) The department may enter into an agreement with a local government  
24 or a regional authority in order to implement the program established under  
25 subsection (5) of this section.

26 **SECTION 107.** ORS 516.070 is amended to read:

27 516.070. (1) There is established in the General Fund of the State Treasury  
28 an account to be known as the Geology and Mineral Industries Account. All  
29 moneys received by the State Department of Geology and Mineral Industries  
30 shall be paid over to the State Treasurer and by the State Treasurer depos-  
31 ited in the General Fund to the credit of the account. All moneys within the

1 account are continuously appropriated for the use of the department in car-  
2 rying out its lawful functions.

3 (2) The Federal Locatable Mineral Royalties Subaccount is established  
4 within the Geology and Mineral Industries Account. Notwithstanding sub-  
5 section (1) of this section, all moneys received from the federal government  
6 by the State of Oregon as the state's distributive share of the amounts col-  
7 lected for royalties for locatable minerals shall be credited to the subac-  
8 count. All moneys in the Federal Locatable Mineral Royalties Subaccount  
9 are continuously appropriated to the State Department of Geology and Min-  
10 eral Industries to conduct investigations of new mineral resources and to  
11 carry out the provisions of ORS 517.840 (1)(f).

12 (3) [*The State Treasurer may invest and reinvest*] The moneys in the Fed-  
13 eral Locatable Mineral Royalties Subaccount **may be invested and rein-**  
14 **vested** as provided in ORS 293.701 to 293.820. Interest from the moneys  
15 deposited in the subaccount and earnings from investment of the moneys in  
16 the subaccount shall be credited to the subaccount.

17 (4) The Mined Land Regulation and Reclamation Program Subaccount is  
18 established within the Geology and Mineral Industries Account. Notwith-  
19 standing subsection (1) of this section, all moneys received by the State De-  
20 partment of Geology and Mineral Industries from fees assessed pursuant to  
21 ORS 517.800 shall be credited to the subaccount. All moneys in the subac-  
22 count are continuously appropriated to the department for the purpose of  
23 administering ORS 517.702 to 517.951.

24 **SECTION 108.** ORS 541.942 is amended to read:

25 541.942. (1) Of the moneys deposited into the Parks and Natural Resources  
26 Fund created under ORS 541.940 from the Oregon State Lottery, 50 percent  
27 shall be deposited into a Natural Resources Subaccount for the public pur-  
28 pose of financing the restoration and protection of native fish and wildlife,  
29 watersheds and water quality in Oregon. [*The State Treasurer may invest and*  
30 *reinvest*] The moneys in the Natural Resources Subaccount **may be invested**  
31 **and reinvested** as provided in ORS 293.701 to 293.820.

1 (2) Moneys in the Natural Resources Subaccount shall be used to accom-  
2 plish each of the following:

3 (a) Protecting and improving water quality in the rivers, lakes and  
4 streams of this state by restoring natural watershed functions or stream  
5 flows;

6 (b) Securing long-term protection for lands and waters that provide sig-  
7 nificant habitats for native fish and wildlife;

8 (c) Restoring and maintaining habitat needed to sustain healthy and re-  
9 silient populations of native fish and wildlife;

10 (d) Maintaining the diversity of plants, animals and ecosystems in this  
11 state;

12 (e) Involving people in voluntary actions to protect, restore and maintain  
13 the ecological health of lands and waters in this state; and

14 (f) Remedying the conditions that limit the health of fish and wildlife, fish  
15 and wildlife habitats and watershed functions that are in the greatest need  
16 of conservation.

17 (3) Except as provided in subsections (4) and (5) of this section, of the  
18 moneys deposited into the Natural Resources Subaccount from the Oregon  
19 State Lottery:

20 (a) Sixty-five percent of the moneys shall be deposited into the Watershed  
21 Conservation Grant Fund established under ORS 541.947 to be used by the  
22 Oregon Watershed Enhancement Board for the purposes set forth in ORS  
23 541.956; and

24 (b) Thirty-five percent of the moneys shall be deposited into the  
25 Watershed Conservation Operating Fund established under ORS 541.945.

26 (4) If the amount transferred from the Oregon State Lottery to the Parks  
27 and Natural Resources Fund during a biennium is more than 150 percent of  
28 the amount that was transferred during the 2009-2011 biennium, except as  
29 provided in subsection (5) of this section, the State Treasurer shall, during  
30 the next following biennium, deposit from the Natural Resources Subaccount  
31 to the Watershed Conservation Grant Fund the amount described in sub-



1 section (3)(a) of this section plus an amount equal to the difference between  
2 the amount deposited from the subaccount to the Watershed Conservation  
3 Grant Fund during the preceding biennium and 70 percent of the moneys  
4 received by the subaccount from the Oregon State Lottery during the pre-  
5 ceding biennium.

6 (5) The requirements in subsections (3) and (4) of this section apply only  
7 for biennia in which the Legislative Assembly does not require a greater  
8 percentage of the Natural Resources Subaccount moneys to be deposited into  
9 the Watershed Conservation Grant Fund. The Legislative Assembly may not  
10 authorize the percentage of Natural Resources Subaccount moneys deposited  
11 into the Watershed Conservation Grant Fund in a biennium to be less than  
12 the percentage required to be deposited under subsections (3) and (4) of this  
13 section.

14 **SECTION 109.** ORS 561.144 is amended to read:

15 561.144. (1) The State Treasurer shall establish a Department of Agricul-  
16 ture Service Fund, which shall be a trust fund separate and distinct from the  
17 General Fund. The State Department of Agriculture shall deposit all license  
18 and service fees paid to it under the provisions of the statutes identified in  
19 subsection (3) of this section in the Department of Agriculture Service Fund.  
20 The State Treasurer is the custodian of this trust fund, which shall be de-  
21 posited by the treasurer in such depositories as are authorized to receive  
22 deposits of the General Fund, and which may be invested [*by the treasurer*]  
23 in the same manner as authorized by ORS 293.701 to 293.820.

24 (2) Interest received on deposits credited to the Department of Agriculture  
25 Service Fund shall accrue to and become a part of the Department of Agri-  
26 culture Service Fund.

27 (3) The license and service fees subject to this section are those described  
28 in ORS 561.400, 561.740, 570.710, 571.057, 571.063, 571.145, 571.305, 583.004,  
29 583.046, 583.445, 583.510, 583.610, 585.050, 586.270, 586.580, 586.650, 596.030,  
30 596.100, 596.311, 599.235, 599.269, 599.406, 599.610, 601.040, 602.090, 603.025,  
31 603.075, 616.706, 618.115, 618.136, 619.031, 621.072, 621.166, 621.266, 621.297,

1 621.335, 621.730, 622.080, 625.180, 628.240, 632.211, 632.425, 632.600, 632.720,  
2 632.730, 632.741, 632.940, 632.945, 633.015, 633.029, 633.318, 633.362, 633.461,  
3 633.471, 633.680, 633.700, 633.720, 634.016, 634.116, 634.122, 634.126, 634.132,  
4 634.136, 634.212 and 635.030.

5 **SECTION 110.** ORS 757.738 is amended to read:

6 757.738. (1)(a) The Public Utility Commission shall establish a separate  
7 trust account for amounts generated by each of the two surcharges imposed  
8 under ORS 757.736. The commission shall establish the trust accounts as  
9 interest-bearing accounts:

10 (A) With an agency of the United States identified in the final agreement;

11 (B) In a depository that is qualified under ORS 295.001 to 295.108 to re-  
12 ceive public funds; or

13 (C) With the [*State Treasurer*] **Oregon Investment Corporation**, to be  
14 invested as provided in ORS 293.701 to 293.820.

15 (b) The commission may establish each of the two trust accounts with a  
16 different trustee among those listed in paragraph (a) of this subsection.

17 (c) The commission may authorize transfer of funds from one trust ac-  
18 count to another as necessary to fund removal of the Klamath River dams.

19 (2) If an agreement is entered into under ORS 757.742 (2), the parties to  
20 the agreement may agree that a portion of the amounts collected under one  
21 surcharge may be deposited in the trust account established for amounts  
22 collected under the other surcharge.

23 (3) Upon request of an agency of the United States, or upon request of  
24 the designee of an agency of the United States, the commission shall require  
25 the trustee of the appropriate trust account established under this section  
26 to transfer to the agency or designee the amounts that are necessary to pay  
27 the costs of removing the Klamath River dams as described in ORS 757.736  
28 (11).

29 (4) If any amounts remain in a trust account established under this sec-  
30 tion after the trustee makes all payments necessary for the costs of removing  
31 the Klamath River dams as described in ORS 757.736 (11), the commission

1 shall direct the trustee of the account to refund those amounts to customers  
2 or to otherwise use the excess amounts for the benefit of customers.

3 **SECTION 111. (1) The Oregon Investment Corporation is a contin-**  
4 **uation of the Oregon Investment Council, and the State Treasurer as**  
5 **investment officer for the council, with respect to the council's duties,**  
6 **liabilities, functions and powers, and is not a new authority.**

7 **(2) The Oregon Investment Corporation is a continuation of the**  
8 **Oregon Investment Council, and the State Treasurer as investment**  
9 **officer for the council, for the purpose of succession to all rights and**  
10 **obligations of the council and State Treasurer as investment officer**  
11 **for the council.**

12 **(3) The four voting members of the Oregon Investment Council ap-**  
13 **pointed by the Governor under ORS 293.706 shall continue as voting**  
14 **members of the board of directors of the Oregon Investment Corpo-**  
15 **ration until the expiration of their terms. A member is eligible for**  
16 **reappointment.**

17 **(4) On the operative date of section 9 of this 2013 Act, moneys in**  
18 **the Miscellaneous Receipts Account established under ORS 293.718 that**  
19 **have been deducted as payment for expenses of the State Treasurer**  
20 **under ORS 293.718 and deposited in the account shall be transferred**  
21 **to the Oregon Investment Corporation Fund established under section**  
22 **9 of this 2013 Act.**

23 **(5) The transfer of duties, functions and powers to the Oregon In-**  
24 **vestment Corporation by this 2013 Act does not affect any action,**  
25 **proceeding or prosecution involving or with respect to such duties,**  
26 **functions and powers begun before and pending at the time of the**  
27 **transfer, except that the Oregon Investment Corporation is substituted**  
28 **for the Oregon Investment Council in the action, proceeding or pros-**  
29 **ecution.**

30 **(6) Nothing in sections 1 to 9 of this 2013 Act, the amendments to**  
31 **statutes and session laws by sections 10 to 110 of this 2013 Act or the**

1 **repeal of statutes by section 113 of this 2013 Act relieves a person of**  
2 **a liability, duty or obligation accruing under or with respect to the**  
3 **duties, functions and powers transferred to the Oregon Investment**  
4 **Corporation by this 2013 Act. The corporation may undertake the**  
5 **collection or enforcement of any such liability, duty or obligation.**

6 **(7) Notwithstanding the transfer of duties, functions and powers to**  
7 **the Oregon Investment Corporation by this 2013 Act, the rules of the**  
8 **Oregon Investment Council, or the State Treasurer as investment of-**  
9 **ficer for the council, in effect on the operative date specified in section**  
10 **114 of this 2013 Act continue in effect until superseded or repealed by**  
11 **rules of the corporation. References, in rules of the council or the**  
12 **State Treasurer, to the Oregon Investment Council, an officer or em-**  
13 **ployee of the council or the State Treasurer as investment officer for**  
14 **the council are considered to be references to the corporation or an**  
15 **officer or employee of the corporation.**

16 **(8) The rights and obligations of the Oregon Investment Council**  
17 **legally incurred under contracts, leases and business transactions ex-**  
18 **ecuted, entered into or begun before the operative date specified in**  
19 **section 114 of this 2013 Act are transferred to the Oregon Investment**  
20 **Corporation. For the purpose of succession to these rights and obli-**  
21 **gations, the corporation is a continuation of the council and not a new**  
22 **authority.**

23 **SECTION 112. (1) Any reference in Oregon statutory law or rules**  
24 **adopted by the State Treasurer or the Oregon Investment Council to**  
25 **the “Oregon Investment Council” shall be considered a reference to**  
26 **the “Oregon Investment Corporation.”**

27 **(2) For the purpose of harmonizing and clarifying statutory law, the**  
28 **Legislative Counsel may substitute for words designating the “Oregon**  
29 **Investment Council,” wherever they occur in statutory law, other**  
30 **words designating the “Oregon Investment Corporation.”**

31 **SECTION 113. ORS 293.706, 293.713, 293.716, 293.721, 293.731, 293.736,**

1 **293.741, 293.756, 293.761, 293.766, 293.780, 293.822 and 293.824 are repealed.**

2 **SECTION 114. (1) Sections 1 to 9, 111 and 112 of this 2013 Act, the**  
3 **amendments to statutes and session laws by sections 10 to 110 of this**  
4 **2013 Act and the repeal of statutes by section 113 of this 2013 Act be-**  
5 **come operative January 1, 2014.**

6 **(2) The State Treasurer and the Oregon Investment Council may**  
7 **take any action prior to the operative date specified in subsection (1)**  
8 **of this section that is necessary to allow the treasurer and the Oregon**  
9 **Investment Corporation to carry out sections 1 to 9, 111 and 112 of this**  
10 **2013 Act, the amendments to statutes and session laws by sections 10**  
11 **to 110 of this 2013 Act and the repeal of statutes by section 113 of this**  
12 **2013 Act on and after the operative date specified in subsection (1) of**  
13 **this section.**

14 **(3)(a) The board of directors of the Oregon Investment Corporation**  
15 **may appoint the executive director of the corporation before the op-**  
16 **erative date specified in subsection (1) of this section.**

17 **(b) The executive director of the corporation may take any action**  
18 **before the operative date specified in subsection (1) of this section that**  
19 **is necessary to enable the executive director to exercise, on and after**  
20 **the operative date specified in subsection (1) of this section, the duties,**  
21 **functions and powers of the executive director pursuant to section 6**  
22 **of this 2013 Act.**

23 **(c) For purposes of this subsection, the board of directors of the**  
24 **corporation includes the four voting members specified in section 111**  
25 **(3) of this 2013 Act.**

26 **SECTION 115. The section captions used in this 2013 Act are pro-**  
27 **vided only for the convenience of the reader and do not become part**  
28 **of the statutory law of this state or express any legislative intent in**  
29 **the enactment of this 2013 Act.**

30 **SECTION 116. This 2013 Act being necessary for the immediate**  
31 **preservation of the public peace, health and safety, an emergency is**

1 **declared to exist, and this 2013 Act takes effect on its passage.**

2

---