

**A-Engrossed
House Bill 2931**

Ordered by the House April 1
Including House Amendments dated April 1

Sponsored by COMMITTEE ON CONSUMER PROTECTION AND GOVERNMENT EFFICIENCY

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Defines "state facility" as building, related works and grounds owned by State of Oregon or state agency, other than State Parks and Recreation Department and Oregon University System.

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

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

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

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

Declares emergency, effective on passage.

A BILL FOR AN ACT

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

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

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

7 **SECTION 2. As used in sections 3, 4, 5 and 6 of this 2013 Act, "state facility" means a**
8 **building, related works and grounds that the State of Oregon or a state agency, other than**
9 **the State Parks and Recreation Department and the Oregon University System or a public**
10 **university listed in ORS 352.002, owns and the appurtenances, utilities and assets necessary**
11 **to carry out the functions for which the state or a state agency uses the building, related**
12 **works or grounds.**

13 **SECTION 3. (1) The Oregon Department of Administrative Services and the Capital**
14 **Projects Advisory Board established under ORS 276.227 shall use established definitions, cri-**
15 **teria and methods to:**

16 (a) **Assess the condition of state facilities; and**

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

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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

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

5 (b) Enables a determination as to when replacing a state facility is more cost-effective
6 than performing deferred maintenance or otherwise repairing the state facility.

7 (3) The department and the advisory board shall use established definitions, criteria and
8 methods, and input from state agencies, to set a priority among state facilities that require
9 maintenance as to when and in which order the state facilities should receive needed main-
10 tenance.

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

15 **SECTION 4.** (1) The Oregon Department of Administrative Services and state agencies
16 that own state facilities, in cooperation with other persons the department and the agencies
17 deem necessary, shall assess the condition of the state facilities in accordance with estab-
18 lished definitions, criteria and methods, and shall provide the results of the assessment to
19 the department in a format that is compatible with the definitions, criteria and methods.

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

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

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

25 **SECTION 5.** Every two years the Oregon Department of Administrative Services shall
26 prepare and deliver to the Legislative Assembly and to state agencies that own state facili-
27 ties a report that:

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

29 (2) Specifies the priority that the department and the Capital Projects Advisory Board
30 established under ORS 276.227 have set among the listed state facilities as to when and in
31 which order the state facilities should receive needed maintenance;

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

33 (4) Describes the systems that state agencies that own state facilities have in place for
34 performing preventive maintenance;

35 (5) Recommends, in accordance with a nationally recognized standard maintenance and
36 repair budgeting model that has been adjusted appropriately for individual state facilities
37 that have unusual maintenance requirements, the amount of funding that state agencies that
38 own state facilities need to perform preventive maintenance; and

39 (6) Identifies, as of the reporting date, the state facilities for which funds for mainte-
40 nance have previously been requested, for which funds have been approved and for which
41 actual expenditures have been made to maintain the state facilities and the amounts re-
42 quested, approved and expended.

43 **SECTION 6.** (1) The Deferred Maintenance Elimination Fund is established, separate and
44 distinct from the General Fund. The Deferred Maintenance Elimination Fund consists of
45 proceeds from bonds or certificates of participation described in subsection (2) of this section

1 and any other moneys the Oregon Department of Administrative Services receives from any
2 source for the purposes set forth in sections 3, 4 and 5 of this 2013 Act. Interest earned on
3 moneys in the fund shall be credited to the fund. Moneys in the fund are continuously ap-
4 propriated to the department for the purpose set forth in subsection (3) of this section and
5 for the purposes set forth in sections 3, 4 and 5 of this 2013 Act.

6 (2) Subject to ORS 286A.035, the State Treasurer, at the request of the department, may
7 issue bonds or certificates of participation for the purpose of maintaining state facilities in
8 accordance with the provisions of ORS 276.227 and 276.229 and sections 3, 4 and 5 of this 2013
9 Act. The State Treasurer shall pay into the Deferred Maintenance Elimination Fund proceeds
10 from the bonds or certificates of participation and any interest realized on the proceeds, less
11 an amount the State Treasurer specifies for bond-related costs, including:

12 (a) The costs and expenses of issuing, administering and maintaining the bonds or cer-
13 tificates of participation, such as paying or redeeming the bonds, paying amounts due in
14 connection with credit enhancements and paying the State Treasurer's or the department's
15 administrative costs and expenses and the costs of consultants or advisors the State Treas-
16 urer or the department retains;

17 (b) The cost of funding bond reserves;

18 (c) Capitalized interest for the bonds; and

19 (d) Any other costs or expenses that the State Treasurer or the Director of the Oregon
20 Department of Administrative Services determines are necessary in connection with issuing
21 or maintaining the bonds or certificates of participation.

22 (3) The department may transfer moneys from the Deferred Maintenance Elimination
23 Fund to another state agency for the state agency to deposit into a dedicated account the
24 state agency established under ORS 276.285 (2).

25 SECTION 7. The Oregon Department of Administrative Services may adopt rules neces-
26 sary to implement sections 3, 4, 5 and 6 of this 2013 Act.

27 SECTION 8. This 2013 Act being necessary for the immediate preservation of the public
28 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
29 on its passage.