

House Bill 2967

Sponsored by Representative GELSER, Senator CLOSE

SUMMARY

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

Authorizes issuance of Article XI-G bonds to match, dollar for dollar, funds available to Oregon University System to finance construction of chemical, biological and environmental engineering building on campus of Oregon State University.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

1
2 Relating to construction of an engineering building at Oregon State University; appropriating
3 money; and declaring an emergency.

4 Whereas the College of Engineering is the largest academic college at Oregon State University,
5 with 700 more undergraduate students in the fall of 2012 than in the fall of 2011, and has experi-
6 enced phenomenal growth, including a 34 percent increase in enrollment in each of the last three
7 years; and

8 Whereas the School of Chemical, Biological and Environmental Engineering is one of the fastest
9 growing within the College of Engineering, enrolling an increasing number of high-achieving stu-
10 dents from Oregon and a high proportion of women; and

11 Whereas Oregon State University has secured \$20 million in private support for the construction
12 of a building for use in the chemical, biological and environmental engineering program; and

13 Whereas the approval of state financing to match available private support for construction of
14 the building will enable Oregon State University to serve more students at the undergraduate and
15 graduate levels in critical science, technology, engineering and mathematics fields; and

16 Whereas the building will provide instructional space, including classrooms and teaching labo-
17 ratories, for students at Oregon State University; and

18 Whereas the building will provide space for faculty expansion and for state-of-the-art laborato-
19 ries in which undergraduate and graduate students can develop skills in engineering areas that are
20 critical to Oregon's growth; and

21 Whereas the building will improve the quality of student experiences at Oregon State University
22 by allowing for the colocation of faculty and students from multiple engineering disciplines, resulting
23 in increased student retention and satisfaction and decreased time to graduation; and

24 Whereas the building will support academic and research programs that further goals of the
25 State of Oregon for economic development, innovation and a healthy environment by supporting
26 Oregon industries through research; and

27 Whereas 360 jobs will be created during construction of the building; now, therefore,

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

29 **SECTION 1. (1) In addition to and not in lieu of any authorization to issue general obli-**
30 **gation bonds under ORS 286A.035, in the biennium beginning July 1, 2013, the State Treas-**

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 urer, at the request of the related agency, may issue Article XI-G bonds in:

2 (a) An amount not to exceed \$20 million of net proceeds and interest earnings for the
3 purpose specified in subsection (2) of this section, plus an amount estimated by the State
4 Treasurer to pay bond-related costs; and

5 (b) The manner provided by ORS chapter 286A.

6 (2) Net proceeds and interest earnings in the amount of \$20 million from bonds issued
7 under this section must be deposited in the Chemical, Biological and Environmental Engi-
8 neering Building Construction Fund established in section 2 of this 2013 Act to match avail-
9 able funds, dollar for dollar, to finance the acquisition, construction, improvement, repair,
10 equipping or furnishing of a chemical, biological and environmental engineering building on
11 the campus of Oregon State University.

12 (3)(a) As used in this section, “bond-related costs” means:

13 (A) The costs of paying the principal of, the interest on and the premium, if any, on Ar-
14 ticle XI-G bonds.

15 (B) The costs and expenses of issuing, administering and maintaining Article XI-G bonds
16 including, but not limited to, the costs and expenses of:

17 (i) Redeeming Article XI-G bonds.

18 (ii) Paying amounts due in connection with credit enhancement devices or agreements
19 for exchange of interest rates.

20 (iii) Paying the fees, administrative costs and expenses of the State Treasurer or the
21 related agency, including the costs of consultants or advisers retained by the State Treasurer
22 or the related agency.

23 (C) The costs of funding reserves for the Article XI-G bonds.

24 (D) Capitalized interest for the Article XI-G bonds.

25 (E) Rebates or penalties due to the United States in connection with the Article XI-G
26 bonds.

27 (F) Any other costs or expenses that the State Treasurer or the related agency deter-
28 mines are necessary or desirable in connection with issuing and maintaining the Article XI-G
29 bonds.

30 (b) As used in this section and in ORS chapter 286A with respect to this section, “related
31 agency” means the Oregon University System.

32 **SECTION 2.** (1) The Chemical, Biological and Environmental Engineering Building Con-
33 struction Fund is established in the State Treasury, separate and distinct from the General
34 Fund. Interest earned on moneys in the Chemical, Biological and Environmental Engineering
35 Building Construction Fund shall be credited to the fund.

36 (2) The fund consists of moneys deposited in the fund under section 1 of this 2013 Act
37 and may include:

38 (a) Fees, revenues and other moneys appropriated by the Legislative Assembly for deposit
39 in the fund; and

40 (b) Other moneys available to the Oregon University System for the purposes described
41 in subsection (4) of this section.

42 (3) Moneys in the fund are continuously appropriated to the Oregon University System
43 for the purposes described in subsection (4) of this section.

44 (4) Moneys in the fund may be used to:

45 (a) Finance the acquisition, construction, improvement, repair, equipping or furnishing

1 of a chemical, biological and environmental engineering building on the campus of Oregon
2 State University;

3 (b) Pay the costs of the system to administer the fund; and

4 (c) Pay bond-related costs, as defined in section 1 of this 2013 Act.

5 **SECTION 3.** (1) The Chemical, Biological and Environmental Engineering Building Bond
6 Fund is established in the State Treasury, separate and distinct from the General Fund.
7 Amounts in the bond fund may be invested as provided in ORS 293.701 to 293.820 and interest
8 earned on the bond fund must be credited to the bond fund. Amounts credited to the bond
9 fund are continuously appropriated to the Oregon Department of Administrative Services for
10 the purpose of paying, when due, the principal of, the interest on and the premium, if any,
11 on outstanding Article XI-G bonds issued under section 1 of this 2013 Act. The department
12 shall deposit in the bond fund:

13 (a) Capitalized or accrued interest on Article XI-G bonds issued under section 1 of this
14 2013 Act;

15 (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit
16 in the bond fund; and

17 (c) Reserves established for the payment of Article XI-G bonds issued under section 1
18 of this 2013 Act.

19 (2) The department may create separate accounts in the bond fund for reserves and debt
20 service for each series of Article XI-G bonds issued under section 1 of this 2013 Act.

21 **SECTION 4.** (1) The Chemical, Biological and Environmental Engineering Building Bond
22 Administration Fund is established in the State Treasury, separate and distinct from the
23 General Fund. Amounts in the bond administration fund may be invested as provided in ORS
24 293.701 to 293.820 and interest earned on the bond administration fund must be credited to
25 the bond administration fund. Amounts credited to the bond administration fund are con-
26 tinuously appropriated to the Oregon Department of Administrative Services for payment
27 of bond-related costs. The department shall credit to the bond administration fund:

28 (a) Proceeds of Article XI-G bonds issued under section 1 of this 2013 Act that were is-
29 sued to pay bond-related costs; and

30 (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit
31 in the bond administration fund.

32 (2) The department may create separate accounts in the bond administration fund.

33 **SECTION 5.** This 2013 Act being necessary for the immediate preservation of the public
34 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
35 on July 1, 2013.

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