

# House Bill 3318

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 **as introduced**.

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

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

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

17 **SECTION 2. Powers and duties of the Oregon Investment Corporation. (1) The Oregon**  
18 **Investment Corporation is established as a public corporation. The corporation shall exercise**  
19 **and carry out statewide all the powers, rights and privileges that are expressly conferred**  
20 **upon the corporation, are implied by law or are incident to such powers. Except as provided**  
21 **in ORS 293.701 to 293.820, nothing in ORS 293.701 to 293.820 is intended to affect the powers**  
22 **and duties of the State Treasurer otherwise provided by law or under the Oregon Constitu-**  
23 **tion.**

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

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

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

28 **(b) Invest and reinvest moneys in the investment funds or any other moneys it is charged**

**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 by law with investing, and in furtherance of such investing may acquire, retain, manage and  
 2 dispose of as investments every kind of investment that persons of prudence, discretion and  
 3 intelligence acquire, retain, manage and dispose of for their own accounting.

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

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

8 (e) Enter into contracts with advisors, service providers or others as it determines nec-  
 9 essary or desirable to carry out the mission and powers of the corporation, including but not  
 10 limited to entering into contracts with one or more persons who may, in lieu of or in addition  
 11 to the corporation, perform discretionary investment manager or other functions to the ex-  
 12 tent provided in the contract.

13 (f) Collect the principal and interest or other income of investments when due and pay-  
 14 able, and shall pay the principal and interest or other income, when so collected, into the  
 15 appropriate fund. Except as otherwise provided by law, interest or other income of the funds  
 16 invested for state agencies shall be paid into the General Fund as provided in ORS 293.140  
 17 to be available for the payment of general governmental expenses.

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

19 (h) For and on behalf of the Public Employees Retirement System and Public Employees  
 20 Retirement Board, enter into group annuity contracts with one or more insurance companies  
 21 authorized to do business in this state. In lieu of any investment of moneys in the Public  
 22 Employees Retirement Fund, the corporation may make payments from time to time under  
 23 such annuity contracts using any moneys in that fund available for investment purposes.

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

27 (a) Institute proceedings to collect the matured principal or interest or other income of  
 28 an investment.

29 (b) Accept for exchange purposes refunding bonds or other evidences of indebtedness at  
 30 interest rates agreed upon by the corporation and the obligor.

31 (c) Make compromises, adjustments or disposition of the matured or future principal or  
 32 interest or other income of an investment as the corporation considers advisable for the  
 33 purpose of protecting the moneys invested.

34 (d) File or participate in class action lawsuits or other legal proceedings with corporate  
 35 shareholders or other investors as the corporation considers advisable for the purpose of  
 36 protecting the moneys invested or otherwise benefitting invested moneys.

37 (5) Notwithstanding ORS 180.220 and 180.235, in addition to legal counsel provided by the  
 38 Department of Justice or special assistant attorneys general, the corporation may employ  
 39 and be represented by its own general or special counsel in a particular matter or class of  
 40 matters and in related matters.

41 (6) The corporation shall follow generally accepted accounting practices, record the indi-  
 42 vidual amounts and the totals of all investments and provide to the officer or body control-  
 43 ling and administering the invested moneys any information necessary for financial reporting  
 44 required by law. The corporation shall separately identify investments held in the Oregon  
 45 Growth Account established in ORS 348.702 and the Oregon Resource and Technology De-

1 velopment Subaccount established in ORS 348.706 as part of the information provided on the  
2 Education Stability Fund.

3 **SECTION 3. Board of directors.** (1) The Governor shall appoint four voting members,  
4 subject to Senate confirmation in the manner provided in ORS 171.562 and 171.565, to a board  
5 of directors for the Oregon Investment Corporation. The directors appointed by the Governor  
6 must be qualified by training and experience in the field of investment or finance. The term  
7 of office of each appointed member of the board is four years, but each appointed director  
8 serves at the pleasure of the Governor and may be removed from office with or without  
9 cause.

10 (2) The Governor may appoint a director under subsection (1) of this section who is also  
11 a member of the Public Employees Retirement Board appointed under ORS 238.640 (4). Ex-  
12 cept as provided in this subsection, members appointed by the Governor may not hold any  
13 other public office or public employment.

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

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

17 (5) Each director appointed by the Governor shall hold office until a successor is ap-  
18 pointed or until an earlier resignation or removal. Before the expiration of the term of an  
19 appointed member, the Governor shall appoint a successor. A member is eligible for reap-  
20 pointment.

21 (6) Any director appointed by the Governor may resign at any time upon written notice  
22 to the Governor. A resignation takes effect at the time specified in the notice. If a time is  
23 not specified in the notice, the resignation is effective at the time the notice is received by  
24 the Governor. Acceptance by the Governor of a resignation is not necessary to make the  
25 resignation effective.

26 (7) Any vacancy in the office of an appointed director shall be filled by appointment by  
27 the Governor for the unexpired term. An appointee under this subsection may serve as a  
28 temporary director until confirmed by the Senate in the manner provided in ORS 171.562 and  
29 171.565. If a temporary appointee is not confirmed by the Senate, the appointee may continue  
30 to serve until another person is appointed by the Governor and approved by the Senate.

31 **SECTION 4. Powers of the board of directors.** (1) The board of directors of the Oregon  
32 Investment Corporation shall formulate policies for the investment and reinvestment of  
33 moneys invested by the corporation and for the acquisition, retention, management and dis-  
34 position of such investments with the objective of making the moneys as productive as pos-  
35 sible, subject to applicable fiduciary standards, including but not limited to ORS 238.660,  
36 238A.025 and 293.726. The board, from time to time, shall review the policies and make  
37 changes as it considers necessary or desirable.

38 (2) The board shall adopt personnel policies, subject to ORS 236.605 to 236.640, for em-  
39 ployees of the corporation who are transferred from the office of the State Treasurer or  
40 from any other state agency.

41 (3) The board may elect to provide for participation in a health benefit plan available to  
42 state employees pursuant to ORS 243.105 to 243.285 and may elect to participate in the state  
43 deferred compensation plan established under ORS 243.401 to 243.507. If the board so elects,  
44 employees of the corporation shall be considered eligible employees for purposes of ORS  
45 243.105 to 243.285 and eligible state employees for purposes of ORS 243.401 to 243.507.

1 (4) The board shall adopt a code of ethics applicable to the corporation that is based on  
 2 the best practices in the investment industry and reflects the unique position of trust and  
 3 loyalty in which the corporation's employees are placed in the investment of public and pri-  
 4 vate moneys. At a minimum, the code shall require the corporation's employees, in the  
 5 conduct of the duties of their employment, to:

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

7 (b) Act for the benefit of the State of Oregon and the public and private beneficiaries of  
 8 the funds entrusted to the corporation for investment;

9 (c) Act with independence and objectivity;

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

11 (e) Communicate with state agencies, public bodies and others for whom moneys are in-  
 12 vested in a timely and accurate manner, including any disclosures required by law or best  
 13 industry practices.

14 (5)(a) The board shall adopt a budget on a biennial basis using classifications of expen-  
 15 ditures and revenues required by generally accepted accounting principles applicable to gov-  
 16 ernmental entities. The budget is not subject to review and approval by the Legislative  
 17 Assembly or to modification by the Emergency Board, by the Legislative Assembly or  
 18 through the allotment process. The board is not required to seek expenditure limitation ap-  
 19 proval from the Legislative Assembly to spend any available moneys.

20 (b) The budget shall be adopted at a regularly scheduled public meeting of the board. The  
 21 board may modify a budget only after a public meeting. The board must give notice of the  
 22 meeting to any interested parties in accordance with the provisions of ORS 192.610 to 192.690.

23 (c) The board shall follow generally accepted accounting principles and keep financial and  
 24 statistical information as necessary to completely and accurately disclose the financial con-  
 25 dition and financial operations of the board.

26 (d) The board shall prepare an annual financial statement of board revenues and expenses  
 27 and shall make the statement available for public review. The board shall provide a copy of  
 28 the statement to the Governor and the Legislative Assembly not later than the 90th day af-  
 29 ter the end of the state fiscal year.

30 (6) In carrying out the duties, functions and powers of the corporation, the board may  
 31 contract with any state agency the board considers appropriate, including but not limited to  
 32 the office of the State Treasurer. A state agency may charge the corporation reasonable fees  
 33 and expenses in connection with providing personnel, equipment, facilities, space and other  
 34 support to the corporation.

35 (7) In addition to the services provided under ORS 293.820 and 294.805 to 294.895, the  
 36 corporation may provide services to other governmental entities for a reasonable fee in-  
 37 tended to cover the corporation's expenses in connection with the services.

38 **SECTION 5. Criminal records check; fingerprints required; persons subject to require-**  
 39 **ment.** For the purpose of requesting a state or nationwide criminal records check under ORS  
 40 181.534, the Oregon Investment Corporation may require the fingerprints of a person who:

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

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

43 (a) In which the person is providing information technology services and has control  
 44 over, or access to, information technology systems that would allow the person to harm the  
 45 information technology systems or the information contained in the systems;

1 (b) In which the person has access to information that is confidential or for which state  
2 or federal laws, rules or regulations prohibit disclosure;

3 (c) That has payroll or investment functions or in which the person has responsibility for  
4 receiving, receipting or depositing money, negotiable instruments or securities, or other fi-  
5 nancial transactions or for purchasing or selling property or otherwise has access to invested  
6 moneys;

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

8 (e) In which the person has responsibility for auditing the corporation;

9 (f) That has personnel or human resources functions as a primary responsibility;

10 (g) In which the person has access to bank routing numbers, Social Security numbers  
11 or electronic funds transfer instructions or numbers; or

12 (h) In which the person has access to tax or financial information about individuals or  
13 business entities.

14 **SECTION 6. Executive director; appointment; functions.** (1) The Oregon Investment  
15 Corporation shall be under the supervision of an executive director appointed by the board  
16 of directors of the corporation. The executive director serves at the pleasure of the board  
17 and shall be paid a salary as prescribed by the board.

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

19 (a) Give to the state a fidelity bond, with one or more corporate sureties authorized to  
20 do business in this state, in a penal sum prescribed by the Director of the Oregon Depart-  
21 ment of Administrative Services, but not less than \$50,000. The premium for the bond shall  
22 be paid by the corporation.

23 (b) Subscribe to an oath that the executive director faithfully and impartially will dis-  
24 charge the duties of the office and that the executive director will support the Constitution  
25 of the United States and the Constitution of the State of Oregon. The executive director shall  
26 file a copy of the signed oath with the Secretary of State.

27 (3) The executive director has the powers necessary to carry out the duties of the cor-  
28 poration, subject to policy direction of the board, including but not limited to the power to  
29 employ, supervise and terminate the employment of staff as the executive director considers  
30 necessary. The executive director shall prescribe the duties and fix the compensation of the  
31 corporation's employees, in accordance with the personnel policies adopted by the board.

32 **SECTION 7. Employees of the corporation.** (1) Employees of the Oregon Investment  
33 Corporation shall be considered employees for purposes of participation in the Public Em-  
34 ployees Retirement System under ORS chapter 238 and eligible employees for purposes of  
35 participation in the Oregon Public Service Retirement Plan under ORS chapter 238A.

36 (2) Employees of the corporation may participate in collective bargaining in accordance  
37 with ORS 243.650 to 243.782.

38 (3) Except as otherwise provided by law, employees of the corporation are eligible to re-  
39 ceive the same benefits as state employees and are entitled to retain their State of Oregon  
40 hire dates, transfer rights and job bidding rights, all without loss of seniority, and to the  
41 direct transfer of all accumulated state agency leaves.

42 **SECTION 8. Oregon Investment Corporation exempt from certain laws.** (1) Except as  
43 otherwise provided by law, the provisions of ORS 279.835 to 279.855 and ORS chapters 182,  
44 240, 270, 273, 276, 279A, 279B, 279C, 282, 283, 291, 292 and 293 do not apply to the Oregon In-  
45 vestment Corporation.

1 (2) Notwithstanding subsection (1) of this section, ORS 182.100, 182.109, 240.167, 279A.100,  
 2 292.043, 292.044, 293.115, 293.117, 293.130, 293.169, 293.171, 293.205 to 293.225, 293.250, 293.265 to  
 3 293.280, 293.285, 293.295, 293.321, 293.353, 293.375, 293.406, 293.465 to 293.485, 293.490, 293.495,  
 4 293.525, 293.701 to 293.820, 293.875, 293.880 and 293.990 apply to the corporation.

5 **SECTION 9.** The Oregon Investment Corporation Fund is established in the State Treas-  
 6 ury, separate and distinct from the General Fund. Moneys deducted under ORS 293.718 and  
 7 294.865 shall be paid to the Oregon Investment Corporation Fund. Interest earned by the fund  
 8 shall be credited to the fund. Moneys in the fund are continuously appropriated to the  
 9 Oregon Investment Corporation for the payment of expenses of the corporation.

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

11 293.701. As used in ORS 293.701 to 293.820, unless the context requires otherwise:

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

13 (2) “Investment funds” means:

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

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

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

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

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

19 (f) Funds under the control and administration of the Department of State Lands;

20 (g) Oregon Student Assistance Fund referred to in ORS 348.570;

21 (h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.540 or  
 22 rules adopted thereunder;

23 (i) Forest Development Revenue Bond Fund referred to in ORS 530.147 and State Forestry  
 24 General Obligation Bond Fund referred to in ORS 530.280;

25 (j) Oregon War Veterans’ Fund referred to in ORS 407.495;

26 (k) Oregon War Veterans’ Bond Sinking Account referred to in ORS 407.515;

27 (L) World War II Veterans’ Compensation Fund;

28 (m) World War II Veterans’ Bond Sinking Fund;

29 (n) Funds in the hands of the State Treasurer that are not required to meet current demands  
 30 and that are invested in the Oregon Short Term Fund established under ORS 293.728 or in another  
 31 commingled investment vehicle;

32 (o) State funds that are not subject to the control and administration of officers or bodies spe-  
 33 cifically designated by law;

34 (p) Funds derived from the sale of state bonds;

35 (q) Social Security Revolving Account referred to in ORS 237.490;

36 (r) Oregon University System Fund established by ORS 351.506 and the Higher Education Do-  
 37 nation Fund established by ORS 351.130;

38 (s) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;

39 (t) Elderly and Disabled Special Transportation Fund established by ORS 391.800;

40 (u) Education Stability Fund established by ORS 348.696;

41 (v) Deferred Compensation Fund established under ORS 243.411; and

42 (w) Trust for Cultural Development Account established under ORS 359.405.

43 [(3) *“Investment officer” means the State Treasurer in the capacity as investment officer for the*  
 44 *council.*]

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

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

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

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

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

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

12 293.714. (1) Notwithstanding ORS 192.650 (1) and (2), full sound recordings shall be made of ev-  
13 ery meeting of the [*Oregon Investment Council*] **board of directors of the Oregon Investment**  
14 **Corporation**. The full sound recordings shall be produced on equipment selected by the [*Oregon*  
15 *Investment Council*] **board** for compatibility with equipment for reproduction by the State Archives.

16 (2) The [*council*] **board** shall maintain a written log of each sound recording that gives a true  
17 reflection of the matters discussed at the meeting and where those matters are found on the sound  
18 recording.

19 (3) Notwithstanding ORS 192.650 (1), the [*council*] **board** shall make the full sound recording and  
20 written log of each sound recording of each meeting available to the public prior to the next regu-  
21 larly scheduled meeting of the [*council*] **board**.

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

23 293.718. As payment for expenses of the [*investment officer*] **Oregon Investment Corporation**,  
24 the [*State Treasurer*] **corporation** may deduct [*monthly*] **each month** a maximum of 0.25 basis points  
25 of the most recent market value of assets [*under management for each of the investment funds*] **in-**  
26 **vested by the corporation**. However, for the funds described in ORS 293.701 (2)(n), a maximum of  
27 0.435 basis points may be deducted [*monthly*] **each month**. [*Amounts so deducted shall be deposited*  
28 *into the Miscellaneous Receipts Account established in the General Fund for the State Treasurer, and*  
29 *are continuously appropriated for payment of the expenses of the State Treasurer as investment*  
30 *officer.*] **The corporation shall deposit amounts deducted under this section in the Oregon**  
31 **Investment Corporation Fund established under section 9 of this 2013 Act.**

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

33 293.726. (1) [*The investment funds shall be invested and the investments of those funds managed*  
34 *as*] **The Oregon Investment Corporation shall invest the investment funds and any other**  
35 **moneys the corporation is charged by law with investing. The corporation shall manage the**  
36 **investments as** a prudent investor would do, under the circumstances then prevailing and in light  
37 of the purposes, terms, distribution requirements and laws governing each investment fund **or other**  
38 **moneys**.

39 (2) The standard stated in subsection (1) of this section requires the exercise of reasonable care,  
40 skill and caution, and is to be applied to investments not in isolation but in the context of [*each*  
41 *investment fund's*] **the investment portfolio of each investment fund or other moneys** and as a  
42 part of an overall investment strategy, which should incorporate risk and return objectives reason-  
43 ably suitable to the particular investment fund **or other moneys**.

44 (3) In making and implementing investment decisions, the [*Oregon Investment Council and the*  
45 *investment officer have*] **corporation has** a duty to diversify the investments of the investment funds

1 **or other moneys** unless, under the circumstances, it is not prudent to do so.

2 (4) In addition to the duties stated in subsection (3) of this section, the [*council and the invest-*  
3 *ment officer*] **employees and the board of directors of the corporation** must:

4 (a) Conform to the fundamental fiduciary duties of loyalty and impartiality;

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

7 (c) Incur only costs that are reasonable in amount and appropriate to the investment responsi-  
8 bilities imposed by law.

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

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

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

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

26 293.728. (1) The Oregon Short Term Fund is established in the State Treasury as a commingled  
27 investment vehicle for investment funds and the moneys described in subsection (2) of this section.  
28 Interest earned by the Oregon Short Term Fund shall be credited to the participating investor funds  
29 or accounts in the fund in proportion to the amount invested.

30 (2) Unless a federal law, court order, settlement or similar agreement or business practice re-  
31 quires otherwise, moneys received by the State Treasurer that may not be discretely invested as  
32 provided in ORS 293.723 shall be deposited in the fund. Moneys that may be discretely invested as  
33 provided in ORS 293.723 may be deposited in the fund.

34 (3) Moneys in the fund may be transferred as provided in ORS 293.205 to 293.225. The [*State*  
35 *Treasurer*] **executive director of the Oregon Investment Corporation** is the officer in charge of  
36 the fund for purposes of ORS 293.220 and shall determine the interest rate to be charged until the  
37 moneys are retransferred to the fund. The interest rate may not be less than the rate specified in  
38 ORS 293.220.

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

40 293.733. (1) In making and implementing investment decisions related to venture capital, the  
41 [*Oregon Investment Council and the investment officer have a duty to*] **Oregon Investment Corpo-**  
42 **ration must** look first at Oregon opportunities for diversification unless, under the circumstances,  
43 it is not prudent to do so.

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

(3) As used in this section:

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

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

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

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

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

(3) As used in this section:

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

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

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

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

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

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

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

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

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

293.751. *[(1)]* Except as provided in *[ORS 293.741 and this subsection]* **this section,** all instruments of title of all investments of the investment funds **or any other moneys the Oregon Investment Corporation is charged by law with investing** shall remain in the custody of the *[investment officer. The investment officer]* **corporation. The corporation** may deposit **instruments of title** with one or more custodial agents or banks *[those instruments of title that the State Treasurer considers advisable]*, to be held in safekeeping by the agents or banks for collection of the principal and interest or other income, or of the proceeds of sale or maturity. For purposes of this section, instruments of title *[of investments of the investment funds]* may include such evidence of title as the

1 *[investment officer shall consider]* **corporation considers** secure and consistent with modern invest-  
 2 ment, banking and commercial practices, and may include book entry and automated recordation of  
 3 such title.

4 *[(2) Except as provided in ORS 293.741 and 293.746 (3) and subsections (1) and (3) of this section,*  
 5 *the investment officer shall collect the principal and interest or other income of investments of the in-*  
 6 *vestment funds, title of which is in the investment officer's custody, when due and payable, and shall*  
 7 *pay the principal and interest or other income, when so collected, into the appropriate fund. Except as*  
 8 *otherwise provided by law, interest or other income of investments of funds in the hands of the State*  
 9 *Treasurer that are not required to meet current demands shall be paid into the General Fund to be*  
 10 *available for the payment of general governmental expenses.]*

11 *[(3) In the event of default in the payment of principal or interest or other income of any investment*  
 12 *of the investment funds, the investment officer, with the approval of the Oregon Investment Council,*  
 13 *may:]*

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

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

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

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

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

23 293.771. *[The Oregon Investment Council shall report to the Governor and Legislative Assembly*  
 24 *on the investment funds investment program at each odd-numbered year regular session of the Legis-*  
 25 *lative Assembly and at other times as the council considers in the public interest.]* **The Oregon In-**  
 26 **vestment Corporation shall report to the Governor and Legislative Assembly at each**  
 27 **odd-numbered year regular session of the Legislative Assembly. The report shall describe:**

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

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

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

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

33 293.776. **(1)** *[The Oregon Investment Council shall provide for an examination and audit of the*  
 34 *investment funds investment program, and for submission to the council of a report based on the ex-*  
 35 *amination and audit, at least once every four years and at other times as the council may require.]* **The**  
 36 **Oregon Investment Corporation shall provide for an annual examination and audit of:**

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

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

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

41 **(2) The corporation shall submit an annual report based on the examination and audit to**  
 42 **the State Treasurer.**

43 **(3)** The examination and audit, and the report based thereon, shall include an evaluation of  
 44 current *[investment funds]* investment policies and practices and of specific investments *[of the in-*  
 45 *vestment funds]* in relation to the objective set forth in *[ORS 293.721]* **section 4 of this 2013 Act,**

1 the standard set forth in ORS 293.726 and other criteria as may be appropriate, and recommen-  
 2 dations relating to [*the investment funds investment*] **the** policies and practices [*and to specific in-*  
 3 *vestments of the investment funds*] as are considered necessary or desirable.

4 (4) The [*council*] **corporation** shall make copies of the report or a summary thereof available  
 5 for distribution to interested persons.

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

7 293.778. (1) The [*investment officer singly, or jointly with other public or institutional investors,*]  
 8 **board of directors of the Oregon Investment Corporation** may authorize establishment of in-  
 9 vestment holding companies, which may be corporations, partnerships or limited liability companies,  
 10 and placement of investment funds, **other moneys the corporation is charged by law with in-**  
 11 **vesting** or investments in such companies, when it is appropriate to do so under the investment  
 12 standard prescribed in ORS 293.726. An investment holding company authorized by this section has  
 13 the powers and authority granted by the laws of the jurisdiction in which the company is estab-  
 14 lished.

15 (2) Any person qualified under the laws of the jurisdiction in which an investment holding  
 16 company is established may serve as an officer, director, member or manager of the company. Offi-  
 17 cers and employees of the office of the State Treasurer **or the corporation** may serve as directors,  
 18 officers and members of investment holding companies authorized by this section. However, if a  
 19 conflict arises between the duties of the officer or employee of the office of the State Treasurer **or**  
 20 **the corporation** under state law and the duties of the officer or employee of the office of the State  
 21 Treasurer **or the corporation** as a director, officer or member of the investment holding company,  
 22 the officer or employee shall abstain from acting on behalf of the company. If the conflict cannot  
 23 be avoided by abstention, the officer or employee shall immediately resign from the company.

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

25 293.790. (1) Under authority of [*section 6,*] Article XI, **section 6**, of the Oregon Constitution, the  
 26 [*state*] **Oregon Investment Corporation**, subject to subsection (2) of this section, may hold and  
 27 dispose of the stock of any company, association or corporation, including stock already received,  
 28 that is donated or bequeathed. [*and the state,*] Acting by and through the State Board of Higher  
 29 Education, subject to subsection (2) of this section, **the corporation** may invest and reinvest in the  
 30 stock of any company, association or corporation, any funds or moneys of the State Board of Higher  
 31 Education that:

- 32 (a) Are or have been donated or bequeathed for higher education purposes;
- 33 (b) Are the proceeds from the disposition of stock that is donated or bequeathed for higher ed-  
 34 ucation purposes, including stock already received; or
- 35 (c) Are dividends paid with respect to stock that is donated or bequeathed for higher education  
 36 purposes, including stock already received.

37 (2) The [*state, including any of its agencies having control of, or authority to invest and reinvest*  
 38 *in, any stock described in subsection (1) of this section,*] **corporation**, in holding, disposing of or in-  
 39 vesting and reinvesting in [*such*] stock **described in subsection (1) of this section**, [*shall be*] **is**  
 40 governed by ORS 130.750 to 130.775, notwithstanding the date of acquisition of [*such*] **the** stock.  
 41 Moneys received from the disposition of [*such*] **the** stock, including dividends, shall be maintained  
 42 separate and distinct from the General Fund, and those moneys, including interest earned thereon,  
 43 are appropriated continuously for the purposes of the donation or bequest and of the investments  
 44 and reinvestments authorized by subsection (1) of this section and by ORS 351.130. Except as spe-  
 45 cifically authorized by law, the state or any of its agencies may not purchase stock.

1 (3)(a) This section does not apply to investment and reinvestment of moneys in the Public Em-  
 2 ployees Retirement Fund, the Industrial Accident Fund, the Deferred Compensation Fund and the  
 3 Education Stability Fund or to acquisition, retention, management and disposition of investments of  
 4 those funds as provided in ORS 293.701 to 293.820.

5 (b) This section does not apply to investment or reinvestment of moneys or stock resulting from  
 6 the holding and disposing of stock by the state as allowed under [section 6 (2),] Article XI, **section**  
 7 **6 (2)**, of the Oregon Constitution.

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

9 293.793. (1) As used in this section:

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

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

12 (2) If the [*State Treasurer, acting as investment officer,*] **Oregon Investment Corporation** or a  
 13 trustee, investing moneys for a related agency, purchases or acquires bonds issued by state gov-  
 14 ernment, the purchase or acquisition does not cancel or extinguish the bonds.

15 **SECTION 26.** ORS 293.796 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 expansion of new busi-  
 18 nesses is critical to the continued growth and development of the economy of Oregon.

19 (b) There exists an estimated gap of between \$100 million and \$200 million between available  
 20 venture capital resources and the need of Oregon businesses for such resources.

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

23 (d) Pension funds managed by the [*Oregon Investment Council*] **Oregon Investment Corpo-**  
 24 **ration** constitute a major financial resource of the State of Oregon, and that such funds may be  
 25 prudently invested in start-up and emerging growth businesses in this state under policies estab-  
 26 lished by the [*Oregon Investment Council*] **board of directors of the corporation.**

27 (2) As used in this section:

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

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

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

32 293.796. (1) The Legislative Assembly finds that:

33 (a) The availability of venture capital for the start-up and subsequent expansion of new busi-  
 34 nesses is critical to the continued growth and development of the economy of Oregon.

35 (b) There exists an estimated gap of between \$100 million and \$200 million between available  
 36 venture capital resources and the need of Oregon businesses for such resources.

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

39 (d) Pension funds managed by the [*Oregon Investment Council*] **Oregon Investment Corpo-**  
 40 **ration** constitute a major financial resource of the State of Oregon, and that such funds may be  
 41 prudently invested in start-up and emerging growth businesses in this state under policies estab-  
 42 lished by the [*Oregon Investment Council*] **board of directors of the corporation.**

43 (2) As used in this section:

44 (a) “Emerging growth business” means an individual or group of individuals or a new or small  
 45 company, including but not limited to any new or small partnership, limited liability company, cor-

1 poration, firm, association or other business entity, that has the capacity, upon obtaining appropri-  
 2 ate capital, to generate significant high-skill, high-wage employment.

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

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

5 293.812. As used in ORS 293.811 to 293.817:

6 (1) “Company” means any sole proprietorship, organization, firm, association, corporation, util-  
 7 ity, partnership, venture, public franchise, franchisor, franchisee or its wholly owned subsidiary that  
 8 exists for profit-making purposes or otherwise to secure economic advantage.

9 (2) “Doing business” means maintaining equipment, facilities, personnel or any other apparatus  
 10 of business or commerce in Sudan, including the ownership or possession of real or personal prop-  
 11 erty located in Sudan.

12 (3) “Investment” or “invest” means the commitment of funds or other assets to a company, in-  
 13 cluding a loan or other extension of credit made to that company, or the ownership or control of a  
 14 share or interest in that company or of a bond or other debt instrument issued by that company.

15 (4) “Subject investment funds” means:

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

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

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

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

20 (e) Investment funds of the State Board of Higher Education available for investment or rein-  
 21 vestment by the [*Oregon Investment Council*] **Oregon Investment Corporation**.

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

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

25 293.814. (1) The [*Oregon Investment Council and the State Treasurer, in the State Treasurer’s role*  
 26 *as investment officer for the council,*] **Oregon Investment Corporation** shall act reasonably and in  
 27 a manner consistent with **the investment objective and standards set forth in section 4 of this**  
 28 **2013 Act and ORS [293.721 and] 293.726** to try to ensure that subject investment funds are not in-  
 29 vested in any company that the [*council*] **corporation** knows is doing business in Sudan for as long  
 30 as the Sudanese government’s campaign of human rights violations, atrocities or genocide continues  
 31 in Sudan.

32 (2) Divestment and reinvestment of subject investment funds under the provisions of this section  
 33 shall be accomplished by the [*Oregon Investment Council and the State Treasurer*] **corporation**  
 34 without monetary loss to the funds through reasonable, prudent and productive investments in  
 35 companies and institutions generating returns that are comparable to the returns generated by the  
 36 companies subject to the divestment.

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

38 293.815. (1) The [*Oregon Investment Council and the State Treasurer, in the State Treasurer’s role*  
 39 *as investment officer for the council,*] **Oregon Investment Corporation** shall make reasonable efforts  
 40 to investigate all companies in which the [*council*] **corporation** has invested subject investment  
 41 funds to determine whether any of those companies are doing business in Sudan. If the [*State*  
 42 *Treasurer*] **corporation** determines that a company is doing business in Sudan, the [*State*  
 43 *Treasurer*] **corporation** shall give notice to the company that the [*council*] **corporation** will with-  
 44 draw subject investment funds that are invested in the company as provided in ORS 293.814 for as  
 45 long as the company does business in Sudan and the Sudanese government’s campaign of human

1 rights violations, atrocities or genocide continues in Sudan.

2 (2) **This section applies only if the Legislative Assembly appropriates sufficient moneys**  
 3 **to the corporation, other than moneys described in ORS 293.718, to administer the investi-**  
 4 **gation, determination and notice.**

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

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

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

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

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

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

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

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

28 30.260. As used in ORS 30.260 to 30.300, unless the context requires otherwise:

29 (1) "Department" means the Oregon Department of Administrative Services.

30 (2) "Director" means the Director of the Oregon Department of Administrative Services.

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

33 (4) "Public body" means:

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

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

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

43 (d) A private, nonprofit organization that provides public transportation services if more than  
 44 50 percent of the organization's funding for the purpose of providing public transportation services  
 45 is received from governmental bodies.

1 (5) "State" means:

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

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

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

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

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

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

8 (8) "Tort" means the breach of a legal duty that is imposed by law, other than a duty arising  
9 from contract or quasi-contract, the breach of which results in injury to a specific person or persons  
10 for which the law provides a civil right of action for damages or for a protective remedy.

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

12 173.500. (1) There is established within the legislative department the Oregon State Capitol  
13 Foundation. The foundation shall be composed of not fewer than nine and not more than 25 voting  
14 members, who shall each serve a term of four years. The President of the Senate shall appoint three  
15 voting members from members of the Senate. The Speaker of the House of Representatives shall  
16 appoint three voting members from members of the House of Representatives. The Legislative Ad-  
17 ministration Committee shall appoint the remaining voting members. A member is eligible for reap-  
18 pointment. At all times there shall be appointed to the foundation an odd number of voting members.  
19 The foundation may appoint honorary, nonvoting members to the foundation.

20 (2) The Oregon State Capitol Foundation shall:

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

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

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

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

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

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

30 (B) Preserve the history of activities of state government that have occurred in the State Capitol  
31 and of persons who have participated in state government in the State Capitol.

32 (f) Adopt rules to guide the foundation and implement the foundation's responsibilities under this  
33 subsection and the foundation's authority under subsections (3) to (5) of this section.

34 (g) Consult with any advisory committees the Legislative Administration Committee may desig-  
35 nate before the foundation makes a recommendation required by this subsection.

36 (3) The Oregon State Capitol Foundation may:

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

39 (b) Under guidelines adopted by the Legislative Administration Committee, expend moneys from  
40 the Oregon State Capitol Foundation Fund for the purposes set out in subsection (2) of this section,  
41 including but not limited to the reasonable and necessary operating expenses of the foundation.

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

43 (d) Become or create an organization under section 501(c)(3) of the Internal Revenue Code.

44 (4)(a) As used in this subsection, "community foundation" has the meaning given that term in  
45 ORS 348.580.

1 (b) The Oregon State Capitol Foundation may enter into agreements with a person, including a  
 2 community foundation in Oregon, for the person to assume the management of the moneys in the  
 3 Oregon State Capitol Foundation Fund. The Oregon State Capitol Foundation may transfer to the  
 4 person any moneys in the fund.

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

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

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

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

13 (d) If a provision of an agreement entered into under this subsection would cause the person to  
 14 be out of compliance with a federal law, the Oregon State Capitol Foundation may waive the pro-  
 15 vision.

16 (5) The Oregon State Capitol Foundation may, through the Legislative Administrator, enter into  
 17 contracts or agreements to implement the foundation's responsibilities and authority. ORS 279.835  
 18 to 279.855 and ORS chapters 279A, 279B and 279C do not apply to a contract or agreement entered  
 19 into by the foundation.

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

23 (7) Notwithstanding ORS 171.072, members of the foundation who are members of the Legislative  
 24 Assembly are not entitled to mileage expenses or a per diem and serve as volunteers on the foun-  
 25 dation.

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

28 192.502. The following public records are exempt from disclosure under ORS 192.410 to 192.505:

29 (1) Communications within a public body or between public bodies of an advisory nature to the  
 30 extent that they cover other than purely factual materials and are preliminary to any final agency  
 31 determination of policy or action. This exemption shall not apply unless the public body shows that  
 32 in the particular instance the public interest in encouraging frank communication between officials  
 33 and employees of public bodies clearly outweighs the public interest in disclosure.

34 (2) Information of a personal nature such as but not limited to that kept in a personal, medical  
 35 or similar file, if public disclosure would constitute an unreasonable invasion of privacy, unless the  
 36 public interest by clear and convincing evidence requires disclosure in the particular instance. The  
 37 party seeking disclosure shall have the burden of showing that public disclosure would not consti-  
 38 tute an unreasonable invasion of privacy.

39 (3) Public body employee or volunteer addresses, Social Security numbers, dates of birth and  
 40 telephone numbers contained in personnel records maintained by the public body that is the em-  
 41 ployer or the recipient of volunteer services. This exemption:

42 (a) Does not apply to the addresses, dates of birth and telephone numbers of employees or vol-  
 43 unteers who are elected officials, except that a judge or district attorney subject to election may  
 44 seek to exempt the judge's or district attorney's address or telephone number, or both, under the  
 45 terms of ORS 192.445;

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

4 (c) Does not apply to a substitute teacher as defined in ORS 342.815 when requested by a pro-  
 5 fessional education association of which the substitute teacher may be a member; and

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

7 (4) Information submitted to a public body in confidence and not otherwise required by law to  
 8 be submitted, where such information should reasonably be considered confidential, the public body  
 9 has obliged itself in good faith not to disclose the information, and when the public interest would  
 10 suffer by the disclosure.

11 (5) Information or records of the Department of Corrections, including the State Board of Parole  
 12 and Post-Prison Supervision, to the extent that disclosure would interfere with the rehabilitation of  
 13 a person in custody of the department or substantially prejudice or prevent the carrying out of the  
 14 functions of the department, if the public interest in confidentiality clearly outweighs the public in-  
 15 terest in disclosure.

16 (6) Records, reports and other information received or compiled by the Director of the Depart-  
 17 ment of Consumer and Business Services in the administration of ORS chapters 723 and 725 not  
 18 otherwise required by law to be made public, to the extent that the interests of lending institutions,  
 19 their officers, employees and customers in preserving the confidentiality of such information out-  
 20 weighs the public interest in disclosure.

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

22 (8) Any public records or information the disclosure of which is prohibited by federal law or  
 23 regulations.

24 (9)(a) Public records or information the disclosure of which is prohibited or restricted or other-  
 25 wise made confidential or privileged under Oregon law.

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

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

29 (B) The factual information is not prohibited from disclosure under any applicable state or fed-  
 30 eral law, regulation or court order and is not otherwise exempt from disclosure under ORS 192.410  
 31 to 192.505;

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

35 (D) The factual information was not compiled in preparation for litigation, arbitration or an  
 36 administrative proceeding that was reasonably likely to be initiated or that has been initiated by  
 37 or against the public body; and

38 (E) The holder of the privilege under ORS 40.225 has made or authorized a public statement  
 39 characterizing or partially disclosing the factual information compiled by or at the attorney's di-  
 40 rection.

41 (10) Public records or information described in this section, furnished by the public body ori-  
 42 ginally compiling, preparing or receiving them to any other public officer or public body in con-  
 43 nection with performance of the duties of the recipient, if the considerations originally giving rise  
 44 to the confidential or exempt nature of the public records or information remain applicable.

45 (11) Records of the Energy Facility Siting Council concerning the review or approval of security

1 programs pursuant to ORS 469.530.

2 (12) Employee and retiree address, telephone number and other nonfinancial membership records  
 3 and employee financial records maintained by the Public Employees Retirement System pursuant to  
 4 ORS chapters 238 and 238A.

5 (13) Records of or submitted to the State Treasurer, the Oregon Investment [*Council*] **Corpo-**  
 6 **ration** or the agents of the treasurer or the [*council*] **corporation** relating to active or proposed  
 7 publicly traded investments under ORS chapter 293, including but not limited to records regarding  
 8 the acquisition, exchange or liquidation of the investments. For the purposes of this subsection:

9 (a) The exemption does not apply to:

10 (A) Information in investment records solely related to the amount paid directly into an invest-  
 11 ment by, or returned from the investment directly to, the treasurer or [*council*] **corporation**; or

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

14 (b) An investment in a publicly traded investment is no longer active when acquisition, exchange  
 15 or liquidation of the investment has been concluded.

16 (14)(a) Records of or submitted to the State Treasurer, the Oregon Investment [*Council*] **Corpo-**  
 17 **ration**, the Oregon Growth Account Board or the agents of the treasurer, [*council*] **corporation** or  
 18 board relating to actual or proposed investments under ORS chapter 293 or 348 in a privately placed  
 19 investment fund or a private asset including but not limited to records regarding the solicitation,  
 20 acquisition, deployment, exchange or liquidation of the investments including but not limited to:

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

23 (B) Financial statements of an investment fund, an asset ownership or their respective invest-  
 24 ment vehicles.

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

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

29 (E) Capital call and distribution notices of an investment fund, an asset ownership or their re-  
 30 spective investment vehicles.

31 (F) Investment agreements and related documents.

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

33 (A) The name, address and vintage year of each privately placed investment fund.

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

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

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

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

45 (F) The net internal rate of return of each privately placed investment fund since inception of

1 the fund.

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

3 (H) The dollar amount of the total management fees and costs paid on an annual fiscal year-end  
4 basis to each privately placed investment fund.

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

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

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

14 (17)(a) The following records, communications and information submitted to the Oregon Business  
15 Development Commission, the Oregon Business Development Department, the State Department of  
16 Agriculture, the Oregon Growth Account Board, the Port of Portland or other ports as defined in  
17 ORS 777.005, or a county or city governing body and any board, department, commission, council  
18 or agency thereof, by applicants for investment funds, grants, loans, services or economic develop-  
19 ment moneys, support or assistance 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 applicant is a party if the  
24 complaint has been filed, or if the complaint has not been filed, if the applicant shows that such  
25 litigation is reasonably likely to occur; this exemption does not apply to litigation which has been  
26 concluded, and nothing in this subparagraph shall limit any right or opportunity granted by discov-  
27 ery or deposition statutes to a party to litigation or potential litigation.

28 (E) Production, sales and cost data.

29 (F) Marketing strategy information that relates to applicant's plan to address specific markets  
30 and applicant's strategy regarding specific competitors.

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

33 (A) Personal financial statements.

34 (B) Financial statements of applicants.

35 (C) Customer lists.

36 (D) Information of an applicant pertaining to litigation to which the applicant is a party if the  
37 complaint has been filed, or if the complaint has not been filed, if the applicant shows that such  
38 litigation is reasonably likely to occur; this exemption does not apply to litigation which has been  
39 concluded, and nothing in this subparagraph shall limit any right or opportunity granted by discov-  
40 ery or deposition statutes to a party to litigation or potential litigation.

41 (E) Production, sales and cost data.

42 (F) Marketing strategy information that relates to applicant's plan to address specific markets  
43 and applicant's strategy regarding specific competitors.

44 (18) Records, reports or returns submitted by private concerns or enterprises required by law  
45 to be submitted to or inspected by a governmental body to allow it to determine the amount of any

1 transient lodging tax payable and the amounts of such tax payable or paid, to the extent that such  
 2 information is in a form which would permit identification of the individual concern or enterprise.  
 3 Nothing in this subsection shall limit the use which can be made of such information for regulatory  
 4 purposes or its admissibility in any enforcement proceedings. The public body shall notify the tax-  
 5 payer of the delinquency immediately by certified mail. However, in the event that the payment or  
 6 delivery of transient lodging taxes otherwise due to a public body is delinquent by over 60 days, the  
 7 public body shall disclose, upon the request of any person, the following information:

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

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

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

12 (19) All information supplied by a person under ORS 151.485 for the purpose of requesting ap-  
 13 pointed counsel, and all information supplied to the court from whatever source for the purpose of  
 14 verifying the financial eligibility of a person pursuant to ORS 151.485.

15 (20) Workers' compensation claim records of the Department of Consumer and Business Services,  
 16 except in accordance with rules adopted by the Director of the Department of Consumer and Busi-  
 17 ness Services, in any of the following circumstances:

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

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

22 (c) When the disclosure is made in such a manner that the disclosed information cannot be used  
 23 to identify any worker who is the subject of a claim.

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

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

27 (22) Records of Oregon Health and Science University regarding candidates for the position of  
 28 president of the university.

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

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

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

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

34 (24) The following records, communications and information obtained by the Housing and Com-  
 35 munity Services Department in connection with the department's monitoring or administration of  
 36 financial assistance or of housing or other developments:

37 (a) Personal and corporate financial statements and information, including tax returns.

38 (b) Credit reports.

39 (c) Project appraisals.

40 (d) Market studies and analyses.

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

42 (f) Commitment letters.

43 (g) Project pro forma statements.

44 (h) Project cost certifications and cost data.

45 (i) Audits.

1 (j) Project tenant correspondence.

2 (k) Personal information about a tenant.

3 (L) Housing assistance payments.

4 (25) Raster geographic information system (GIS) digital databases, provided by private forestland  
5 owners or their representatives, voluntarily and in confidence to the State Forestry Department,  
6 that is not otherwise required by law to be submitted.

7 (26) Sensitive business, commercial or financial information furnished to or developed by a  
8 public body engaged in the business of providing electricity or electricity services, if the information  
9 is directly related to a transaction described in ORS 261.348, or if the information is directly related  
10 to a bid, proposal or negotiations for the sale or purchase of electricity or electricity services, and  
11 disclosure of the information would cause a competitive disadvantage for the public body or its re-  
12 tail electricity customers. This subsection does not apply to cost-of-service studies used in the de-  
13 velopment or review of generally applicable rate schedules.

14 (27) Sensitive business, commercial or financial information furnished to or developed by the  
15 City of Klamath Falls, acting solely in connection with the ownership and operation of the Klamath  
16 Cogeneration Project, if the information is directly related to a transaction described in ORS 225.085  
17 and disclosure of the information would cause a competitive disadvantage for the Klamath  
18 Cogeneration Project. This subsection does not apply to cost-of-service studies used in the develop-  
19 ment or review of generally applicable rate schedules.

20 (28) Personally identifiable information about customers of a municipal electric utility or a  
21 people's utility district or the names, dates of birth, driver license numbers, telephone numbers,  
22 electronic mail addresses or Social Security numbers of customers who receive water, sewer or  
23 storm drain services from a public body as defined in ORS 174.109. The utility or district may re-  
24 lease personally identifiable information about a customer, and a public body providing water, sewer  
25 or storm drain services may release the name, date of birth, driver license number, telephone num-  
26 ber, electronic mail address or Social Security number of a customer, if the customer consents in  
27 writing or electronically, if the disclosure is necessary for the utility, district or other public body  
28 to render services to the customer, if the disclosure is required pursuant to a court order or if the  
29 disclosure is otherwise required by federal or state law. The utility, district or other public body  
30 may charge as appropriate for the costs of providing such information. The utility, district or other  
31 public body may make customer records available to third party credit agencies on a regular basis  
32 in connection with the establishment and management of customer accounts or in the event such  
33 accounts are delinquent.

34 (29) A record of the street and number of an employee's address submitted to a special district  
35 to obtain assistance in promoting an alternative to single occupant motor vehicle transportation.

36 (30) Sensitive business records, capital development plans or financial or commercial information  
37 of Oregon Corrections Enterprises that is not customarily provided to business competitors.

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

44 (a) The document, material or other information is received upon notice or with an under-  
45 standing that it is confidential or privileged under the laws of the jurisdiction that is the source of

1 the document, material or other information; and

2 (b) The director has obligated the Department of Consumer and Business Services not to dis-  
3 close the document, material or other information.

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

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

6 (a) Generation, storage or conveyance of:

7 (A) Electricity;

8 (B) Gas in liquefied or gaseous form;

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

10 (D) Petroleum products;

11 (E) Sewage; or

12 (F) Water.

13 (b) Telecommunication systems, including cellular, wireless or radio systems.

14 (c) Data transmissions by whatever means provided.

15 (34) The information specified in ORS 25.020 (8) if the Chief Justice of the Supreme Court des-  
16 ignates the information as confidential by rule under ORS 1.002.

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

18 (b) As used in this subsection, "employer account records" means all records maintained in any  
19 form that are specifically related to the account of any employer insured, previously insured or un-  
20 der consideration to be insured by the State Accident Insurance Fund Corporation and any infor-  
21 mation obtained or developed by the corporation in connection with providing, offering to provide  
22 or declining to provide insurance to a specific employer. "Employer account records" includes, but  
23 is not limited to, an employer's payroll records, premium payment history, payroll classifications,  
24 employee names and identification information, experience modification factors, loss experience and  
25 dividend payment history.

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

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

29 (b) As used in this subsection, "claimant files" includes, but is not limited to, all records held  
30 by the corporation pertaining to a person who has made a claim, as defined in ORS 656.005, and all  
31 records pertaining to such a claim.

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

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

36 (38) Records of or submitted to a domestic violence service or resource center that relate to the  
37 name or personal information of an individual who visits a center for service, including the date of  
38 service, the type of service received, referrals or contact information or personal information of a  
39 family member of the individual. As used in this subsection, "domestic violence service or resource  
40 center" means an entity, the primary purpose of which is to assist persons affected by domestic or  
41 sexual violence by providing referrals, resource information or other assistance specifically of ben-  
42 efit to domestic or sexual violence victims.

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

44 238A.050. (1) The Oregon Public Service Retirement Plan is part of the Public Employees Re-  
45 tirement System and is administered by the Public Employees Retirement Board.

1 (2) ORS 238.008, 238.225, 238.229, 238.231, 238.285, 238.410, 238.445, 238.450, 238.455, 238.458,  
 2 238.460, 238.465, 238.470, 238.600, 238.601, 238.605, 238.610, 238.615, 238.618, 238.630, 238.635, 238.640,  
 3 238.645, 238.655, 238.660, 238.661, 238.665, 238.675, 238.692, 238.694, 238.695, 238.696, 238.698, 238.700,  
 4 238.705, 238.710 and 238.715 apply to the Oregon Public Service Retirement Plan.

5 (3) The Oregon Investment [*Council*] **Corporation** shall invest the assets of the Oregon Public  
 6 Service Retirement Plan as a part of the Public Employees Retirement Fund. Except as provided by  
 7 subsection (4) of this section, the investment of Oregon Public Service Retirement Plan assets is  
 8 subject to the provisions of ORS 293.701 to 293.820. The Oregon Investment [*Council*] **Corporation**  
 9 may invest assets of the individual account program and pension program differently than the other  
 10 assets of the Public Employees Retirement System.

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

13 (5) The board may contract with a private provider for the administration of the individual ac-  
 14 count program. The board is not subject to the provisions of ORS chapter 279A or 279B in awarding  
 15 a contract under the provisions of this subsection. The board shall establish procedures for inviting  
 16 proposals and awarding contracts under this subsection.

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

18 243.401. As used in ORS 243.401 to 243.507:

19 (1) “Board” means the Public Employees Retirement Board described in ORS 238.630.

20 (2) [*“Council” means the Oregon Investment Council created by ORS 293.706.*] **“Corporation”**  
 21 **means the Oregon Investment Corporation established under section 2 of this 2013 Act.**

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

24 (4) “Deferred compensation investment program” means the program established by the Oregon  
 25 Investment [*Council*] **Corporation** under ORS 243.421, for investment of assets of the Deferred  
 26 Compensation Fund.

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

30 (6) “Eligible state employee” means an officer or employee of a state board, commission, de-  
 31 partment or other instrumentality of state government, including, but not limited to, all officers and  
 32 employees of the executive, judicial and legislative branches of state government, but excluding:

33 (a) Persons engaged as independent contractors, except as otherwise specifically allowed by  
 34 statute;

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

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

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

40 (8) “Local government” means a city, county, municipal or public corporation, any political  
 41 subdivision of the state or any instrumentality thereof, or an agency created by two or more such  
 42 political subdivisions to provide themselves governmental services.

43 (9) “Local government deferred compensation plan” means a deferred compensation plan that is  
 44 established and administered by a local government.

45 (10) “Local plan participant” means a person participating in a local government deferred com-

1 pension plan.

2 (11) "Participating local government" means a local government that invests all or part of the  
 3 assets of the deferred compensation plan established by the local government through the deferred  
 4 compensation investment program.

5 (12) "State deferred compensation plan" means the deferred compensation plan described in ORS  
 6 243.435 for eligible state employees.

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

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

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

11 243.421. (1) The Oregon Investment [*Council*] **Corporation** shall establish a program for invest-  
 12 ment of moneys in the Deferred Compensation Fund. The program shall include policies and proce-  
 13 dures for the investment of moneys in the fund. The program and all investments of moneys under  
 14 the program are subject to the provisions of ORS 293.701 to 293.820.

15 (2) The [*council*] **corporation** shall provide to the Public Employees Retirement Board a de-  
 16 scription of the investment options set forth in the [*council's*] **corporation's** policies and procedures  
 17 for the investment of moneys in the fund, the applicable benchmark for each option and a de-  
 18 scription of the characteristics of each benchmark.

19 (3) The provisions of ORS chapter 59 that require registration of securities do not apply to any  
 20 share, participation or other interest in the state deferred compensation plan or in the Deferred  
 21 Compensation Fund. The provisions of ORS chapter 59 requiring licensing of certain persons as  
 22 broker-dealers or as investment advisors do not apply to any of the following persons or entities for  
 23 the purposes of implementing and administering the deferred compensation investment program es-  
 24 tablished under this section:

25 (a) The [*council*] **Oregon Investment Corporation**.

26 (b) The Public Employees Retirement Board.

27 (c) The Public Employees Retirement System.

28 (d) The State Treasurer.

29 (e) Any officer or employee of the persons or entities described in paragraphs (a) to (d) of this  
 30 subsection.

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

32 243.426. (1) On request from the Public Employees Retirement Board, the State Treasurer shall  
 33 establish all accounts in the Deferred Compensation Fund that are necessary to administer the  
 34 provisions of ORS 243.401 to 243.507.

35 (2) The accounts shall be established and maintained with the charges assessed under ORS  
 36 243.472 against the account balances of the state plan participants and the funds invested by par-  
 37 ticipating local governments.

38 (3) The moneys held in the accounts established by the board may be used only for payment of  
 39 the administrative expenses incurred by the system, the State Treasurer and the Oregon Investment  
 40 [*Council*] **Corporation** in administering the provisions of ORS 243.401 to 243.507.

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

42 243.472. (1) ORS 243.401 to 243.507 shall be implemented and administered by the Public Em-  
 43 ployees Retirement Board so that no expense is incurred by the State of Oregon or the Public Em-  
 44 ployees Retirement Fund and so that the State of Oregon and the Public Employees Retirement  
 45 System incur no liabilities other than those liabilities that may be imposed under ORS 243.401 to

1 243.507 or other law. In addition to the amounts that may be deducted by the [*State Treasurer*]  
 2 **Oregon Investment Corporation** pursuant to ORS 293.718, the Public Employees Retirement Sys-  
 3 tem may assess a charge against the accounts of state plan participants in the Deferred Compen-  
 4 sation Fund. The charge may not exceed two percent of the balances of those accounts. Funds  
 5 collected pursuant to the charge are continuously appropriated for and shall be used only to cover  
 6 the costs incurred by the system to administer the state deferred compensation plan, to issue refunds  
 7 and to pay costs incurred in investing the plan assets.

8 (2) For the purpose of implementing and administering the provisions of ORS 243.401 to 243.507,  
 9 including implementation and administration of service agreements entered into with local govern-  
 10 ments under ORS 243.478, the Public Employees Retirement Board may designate fiscal periods. The  
 11 board may apportion extraordinary expenses incurred during any fiscal period, including but not  
 12 limited to expenses for equipment and actuarial studies, to subsequent fiscal periods for purposes  
 13 of equitably distributing the burden of the expenses. The board may carry forward unexpended fees  
 14 collected in 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 section is inadequate to  
 16 meet the administrative expenses incurred by the system for the state deferred compensation plan,  
 17 and these expenses are not carried over to another fiscal period, the excess expenses may be paid  
 18 by an additional one-time assessment against the account balances of state plan participants in the  
 19 Deferred Compensation Fund. The additional assessment shall be in an amount determined by the  
 20 Public Employees Retirement Board to be sufficient to pay the excess expenses in the fiscal period  
 21 in which the assessment is made. The one-time assessment is in addition to the regular assessment  
 22 provided for in subsection (1) of this section.

23 (4) Deferred compensation benefit payments, and amounts payable as refunds, shall not for any  
 24 purpose be deemed expenses of the board and shall not be included in its biennial departmental  
 25 budget.

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

27 243.474. (1) A local government that establishes a deferred compensation plan may invest all or  
 28 part of the plan's assets through the deferred compensation investment program established by the  
 29 Oregon Investment [*Council*] **Corporation** under ORS 243.421. Plan assets of a local government  
 30 deferred compensation plan invested through the deferred compensation investment program are not  
 31 subject to the limitations on investment imposed by ORS 294.033 and 294.035. Local governments  
 32 that invest through the deferred compensation investment program are subject to the policies and  
 33 procedures established by the [*council*] **corporation** for the administration of the program.

34 (2) A local government that wishes to become a participating local government pursuant to this  
 35 section must enter into a written agreement with the Public Employees Retirement System. The  
 36 agreement must set forth the terms of the investment and the record keeping and related services  
 37 to be performed by the system for the invested funds. The Public Employees Retirement Board may  
 38 require that the local government enter into a service agreement under ORS 243.478 as a condition  
 39 of an agreement under this subsection. If the local government and the system cannot reach an  
 40 agreement under the provisions of this subsection, the local government may not become a partic-  
 41 ipating local government.

42 (3) All funds invested by the [*council*] **corporation** for a participating local government must  
 43 be accounted for separately. Investment of funds under this section must be implemented and ad-  
 44 ministered so that the State of Oregon incurs no expense or liability other than those liabilities that  
 45 may be imposed under ORS 243.401 to 243.507 or other law.

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

7 (5) The terms of the agreement provided for in subsection (2) of this section shall govern the  
 8 nature and extent of the information that must be provided to local government officers and em-  
 9 ployees about the investment of deferred compensation through the deferred compensation invest-  
 10 ment program.

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

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

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

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

31 243.478. (1) A participating local government and the Public Employees Retirement System may  
 32 enter into a written agreement for the system to provide consolidated billing services, participant  
 33 enrollment services, participant accounts, data processing, record keeping and other related services  
 34 that are necessary or appropriate to the administration of the local government deferred compen-  
 35 sation plan. The agreement may provide that the services be provided directly by the system or  
 36 through contracts with other providers.

37 (2) Agreements under this section must require that the participating local government remain  
 38 the responsible administrator for the local government deferred compensation plan. The agreement  
 39 may provide any additional terms and conditions that the system determines necessary for the pur-  
 40 poses of offering the services described in subsection (1) of this section to local government deferred  
 41 compensation plans, including proof of compliance under ORS 243.476. The system may require that  
 42 participating local governments that enter into agreements with the system under this section have  
 43 uniform provisions on plan administration and record keeping.

44 (3) The system may assess a charge, in an amount to be determined by the system, against the  
 45 total account balances in the Deferred Compensation Fund of all local governments that have en-

1 tered into service agreements under this section. The charge imposed under this subsection is in  
 2 addition to any charges that may be assessed against local governments by the system under ORS  
 3 243.474 or deducted by the [*State Treasurer*] **Oregon Investment Corporation** under ORS 293.718.

4 (4) In the event the assessment provided for in subsection (3) of this section is inadequate to  
 5 meet the administrative expenses incurred by the system for local government deferred compen-  
 6 sation plans during a fiscal period, and the expenses are not carried over to another fiscal period  
 7 pursuant to ORS 243.472 (2), the excess expenses may be paid by an additional one-time assessment  
 8 against the account balances in the Deferred Compensation Fund of participating local governments  
 9 that have entered into service agreements under this section.

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

11 243.482. (1) A civil action for damages may not be brought against the state, the State Treasurer,  
 12 the Oregon Investment [*Council*] **Corporation**, the Public Employees Retirement Board, or the offi-  
 13 cers or employees of the board by reason of:

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

16 (b) A breach of any duty in administering or investing of the funds of participating local gov-  
 17 ernments; or

18 (c) Any losses suffered by a state plan participant or local plan participant or the beneficiaries  
 19 of those participants because of the participant's choice of an investment option available through  
 20 the deferred compensation investment program established under ORS 243.421.

21 (2) Any claim that the [*council*] **corporation**, the board, the State Treasurer or the system, or  
 22 any of their officers or employees, violated federal or state securities laws, including antifraud pro-  
 23 visions, in the implementation or administration of ORS 243.401 to 243.507 is subject to the pro-  
 24 visions of ORS 30.260 to 30.300. With respect to such claims, the state shall defend, save harmless  
 25 and indemnify the State Treasurer, the system, [*members of*] the [*council*] **corporation**, the board,  
 26 and their officers and employees, as provided for other torts under the provisions of ORS 30.260 to  
 27 30.300.

28 (3) The limitations on liability established by this section do not include an exemption from any  
 29 liability that may be imposed under the provisions of ORS chapter 59. Except to the extent that the  
 30 state deferred compensation plan and the deferred compensation investment program are exempted  
 31 from registration and licensing requirements under ORS 243.421, ORS chapter 59 applies to the ad-  
 32 ministration and investment of the Deferred Compensation Fund, the state deferred compensation  
 33 plan, local government deferred compensation plans and the deferred compensation investment pro-  
 34 gram.

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

36 244.045. (1) A person who has been a Public Utility Commissioner, the Director of the Depart-  
 37 ment of Consumer and Business Services, the Administrator of the Division of Finance and Corpo-  
 38 rate Securities, the Administrator of the Insurance Division, the Administrator of the Oregon Liquor  
 39 Control Commission or the Director of the Oregon State Lottery shall not:

40 (a) Within one year after the public official ceases to hold the position become an employee of  
 41 or receive any financial gain, other than reimbursement of expenses, from any private employer  
 42 engaged in the activity, occupation or industry over which the former public official had authority;  
 43 or

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

45 (A) Be a lobbyist for or appear as a representative before the agency over which the person

1 exercised authority as a public official;

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

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

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

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

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

13 (b) Accept employment from or be retained by any private entity with whom the [office of the  
14 State Treasurer or the] Oregon Investment [Council] **Corporation** placed at least \$50,000 of invest-  
15 ment moneys in any single year during the term of office of the treasurer; or

16 (c) Be a lobbyist for an investment institution, manager or consultant, or appear before the [of-  
17 fice of the State Treasurer or] Oregon Investment [Council] **Corporation** as a representative of an  
18 investment institution, manager or consultant.

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

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

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

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

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

28 (5)(a) A person who has been a member of the Department of State Police, who has held a po-  
29 sition with the department with the responsibility for supervising, directing or administering pro-  
30 grams relating to gaming by a Native American tribe or the Oregon State Lottery and who has been  
31 designated by the Superintendent of State Police by rule shall not, within one year after the member  
32 of the Department of State Police ceases to hold the position:

33 (A) Accept employment from or be retained by or receive any financial gain related to gaming  
34 from the Oregon State Lottery or any Native American tribe;

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

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

38 (D) Disclose any confidential information gained as a member of the Department of State Police.

39 (b) This subsection does not apply to:

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

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

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

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

45 (c) As used in this subsection, "Native American tribe" means any recognized Native American

1 tribe or band of tribes authorized by the Indian Gaming Regulatory Act of October 17, 1988 (Public  
2 Law 100-497), 25 U.S.C. 2701 et seq., to conduct gambling operations on tribal land.

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

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

9 244.047. (1) As used in this section:

10 (a) "Public body" has the meaning given that term in ORS 174.109.

11 (b) "Public contract" has the meaning given that term in ORS 279A.010.

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

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

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

17 (b) A board, commission, council, bureau, committee or other governing body of a public body  
18 of which the person was a member when the contract was authorized.

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

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

23 **(b) An employee of the office of the State Treasurer who is subsequently employed by the**  
24 **Oregon Investment Corporation.**

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

27 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
28 Government Ethics Commission a verified statement of economic interest as required under this  
29 chapter:

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

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

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

35 (d) The Deputy Attorney General.

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

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

40 (g) The following state officers:

41 (A) Adjutant General.

42 (B) Director of Agriculture.

43 (C) Manager of State Accident Insurance Fund Corporation.

44 (D) Water Resources Director.

45 (E) Director of Department of Environmental Quality.

- 1 (F) Director of Oregon Department of Administrative Services.
- 2 (G) State Fish and Wildlife Director.
- 3 (H) State Forester.
- 4 (I) State Geologist.
- 5 (J) Director of Human Services.
- 6 (K) Director of the Department of Consumer and Business Services.
- 7 (L) Director of the Department of State Lands.
- 8 (M) State Librarian.
- 9 (N) Administrator of Oregon Liquor Control Commission.
- 10 (O) Superintendent of State Police.
- 11 (P) Director of the Public Employees Retirement System.
- 12 (Q) Director of Department of Revenue.
- 13 (R) Director of Transportation.
- 14 (S) Public Utility Commissioner.
- 15 (T) Director of Veterans' Affairs.
- 16 (U) Executive director of Oregon Government Ethics Commission.
- 17 (V) Director of the State Department of Energy.
- 18 (W) Director and each assistant director of the Oregon State Lottery.
- 19 (X) Director of the Department of Corrections.
- 20 (Y) Director of the Oregon Department of Aviation.
- 21 (Z) Executive director of the Oregon Criminal Justice Commission.
- 22 (AA) Director of the Oregon Business Development Department.
- 23 (BB) Director of the Office of Emergency Management.
- 24 (CC) Director of the Employment Department.
- 25 (DD) Chief of staff for the Governor.
- 26 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 27 (FF) Director of the Housing and Community Services Department.
- 28 (GG) State Court Administrator.
- 29 (HH) Director of the Department of Land Conservation and Development.
- 30 (II) Board chairperson of the Land Use Board of Appeals.
- 31 (JJ) State Marine Director.
- 32 (KK) Executive director of the Oregon Racing Commission.
- 33 (LL) State Parks and Recreation Director.
- 34 (MM) Public defense services executive director.
- 35 (NN) Chairperson of the Public Employees' Benefit Board.
- 36 (OO) Director of the Department of Public Safety Standards and Training.
- 37 (PP) Chairperson of the Oregon Student Access Commission.
- 38 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 39 (RR) Director of the Oregon Youth Authority.
- 40 (SS) Director of the Oregon Health Authority.
- 41 (TT) Deputy Superintendent of Public Instruction.
- 42 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 43 (i) Every elected city or county official.
- 44 (j) Every member of a city or county planning, zoning or development commission.
- 45 (k) The chief executive officer of a city or county who performs the duties of manager or prin-

- 1 cipal administrator of the city or county.
- 2 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 3 (m) Every member of a governing body of a metropolitan service district and the executive of-
- 4 ficer thereof.
- 5 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 6 (o) The chief administrative officer and the financial officer of each common and union high
- 7 school district, education service district and community college district.
- 8 (p) Every member of the following state boards and commissions:
- 9 (A) Board of Geologic and Mineral Industries.
- 10 (B) Oregon Business Development Commission.
- 11 (C) State Board of Education.
- 12 (D) Environmental Quality Commission.
- 13 (E) Fish and Wildlife Commission of the State of Oregon.
- 14 (F) State Board of Forestry.
- 15 (G) Oregon Government Ethics Commission.
- 16 (H) Oregon Health Policy Board.
- 17 (I) State Board of Higher Education.
- 18 (J) **Board of directors of the Oregon Investment [Council] Corporation.**
- 19 (K) Land Conservation and Development Commission.
- 20 (L) Oregon Liquor Control Commission.
- 21 (M) Oregon Short Term Fund Board.
- 22 (N) State Marine Board.
- 23 (O) Mass transit district boards.
- 24 (P) Energy Facility Siting Council.
- 25 (Q) Board of Commissioners of the Port of Portland.
- 26 (R) Employment Relations Board.
- 27 (S) Public Employees Retirement Board.
- 28 (T) Oregon Racing Commission.
- 29 (U) Oregon Transportation Commission.
- 30 (V) Wage and Hour Commission.
- 31 (W) Water Resources Commission.
- 32 (X) Workers' Compensation Board.
- 33 (Y) Oregon Facilities Authority.
- 34 (Z) Oregon State Lottery Commission.
- 35 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- 36 (BB) Columbia River Gorge Commission.
- 37 (CC) Oregon Health and Science University Board of Directors.
- 38 (DD) Capitol Planning Commission.
- 39 (EE) Higher Education Coordinating Commission.
- 40 (FF) Oregon Growth Board.
- 41 (q) The following officers of the State Treasurer:
- 42 (A) Deputy State Treasurer.
- 43 (B) Chief of staff for the office of the State Treasurer.
- 44 [(C) *Director of the Investment Division.*]
- 45 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725

1 or 777.915 to 777.953.

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

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

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

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

11 (4) Within 30 days after the filing deadline for the general election, each candidate described in  
12 subsection (1) of this section who was not a candidate in the preceding primary election, or who  
13 was nominated for public office described in subsection (1) of this section at the preceding primary  
14 election by write-in votes, shall file with the commission a statement of economic interest as re-  
15 quired under ORS 244.060, 244.070 and 244.090.

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

20 (6) If a statement required to be filed under this section has not been received by the commis-  
21 sion within five days after the date the statement is due, the commission shall notify the public of-  
22 ficial or candidate and give the public official or candidate not less than 15 days to comply with the  
23 requirements of this section. If the public official or candidate fails to comply by the date set by the  
24 commission, the commission may impose a civil penalty as provided in ORS 244.350.

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

27 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
28 Government Ethics Commission a verified statement of economic interest as required under this  
29 chapter:

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

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

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

35 (d) The Deputy Attorney General.

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

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

40 (g) The following state officers:

41 (A) Adjutant General.

42 (B) Director of Agriculture.

43 (C) Manager of State Accident Insurance Fund Corporation.

44 (D) Water Resources Director.

45 (E) Director of Department of Environmental Quality.

- 1 (F) Director of Oregon Department of Administrative Services.
- 2 (G) State Fish and Wildlife Director.
- 3 (H) State Forester.
- 4 (I) State Geologist.
- 5 (J) Director of Human Services.
- 6 (K) Director of the Department of Consumer and Business Services.
- 7 (L) Director of the Department of State Lands.
- 8 (M) State Librarian.
- 9 (N) Administrator of Oregon Liquor Control Commission.
- 10 (O) Superintendent of State Police.
- 11 (P) Director of the Public Employees Retirement System.
- 12 (Q) Director of Department of Revenue.
- 13 (R) Director of Transportation.
- 14 (S) Public Utility Commissioner.
- 15 (T) Director of Veterans' Affairs.
- 16 (U) Executive director of Oregon Government Ethics Commission.
- 17 (V) Director of the State Department of Energy.
- 18 (W) Director and each assistant director of the Oregon State Lottery.
- 19 (X) Director of the Department of Corrections.
- 20 (Y) Director of the Oregon Department of Aviation.
- 21 (Z) Executive director of the Oregon Criminal Justice Commission.
- 22 (AA) Director of the Oregon Business Development Department.
- 23 (BB) Director of the Office of Emergency Management.
- 24 (CC) Director of the Employment Department.
- 25 (DD) Chief of staff for the Governor.
- 26 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 27 (FF) Director of the Housing and Community Services Department.
- 28 (GG) State Court Administrator.
- 29 (HH) Director of the Department of Land Conservation and Development.
- 30 (II) Board chairperson of the Land Use Board of Appeals.
- 31 (JJ) State Marine Director.
- 32 (KK) Executive director of the Oregon Racing Commission.
- 33 (LL) State Parks and Recreation Director.
- 34 (MM) Public defense services executive director.
- 35 (NN) Chairperson of the Public Employees' Benefit Board.
- 36 (OO) Director of the Department of Public Safety Standards and Training.
- 37 (PP) Chairperson of the Oregon Student Access Commission.
- 38 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 39 (RR) Director of the Oregon Youth Authority.
- 40 (SS) Director of the Oregon Health Authority.
- 41 (TT) Deputy Superintendent of Public Instruction.
- 42 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 43 (i) Every elected city or county official.
- 44 (j) Every member of a city or county planning, zoning or development commission.
- 45 (k) The chief executive officer of a city or county who performs the duties of manager or prin-

1 cipal administrator of the city or county.

2 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.

3 (m) Every member of a governing body of a metropolitan service district and the executive of-  
4 ficer thereof.

5 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.

6 (o) The chief administrative officer and the financial officer of each common and union high  
7 school district, education service district and community college district.

8 (p) Every member of the following state boards and commissions:

9 (A) Board of Geologic and Mineral Industries.

10 (B) Oregon Business Development Commission.

11 (C) State Board of Education.

12 (D) Environmental Quality Commission.

13 (E) Fish and Wildlife Commission of the State of Oregon.

14 (F) State Board of Forestry.

15 (G) Oregon Government Ethics Commission.

16 (H) Oregon Health Policy Board.

17 (I) State Board of Higher Education.

18 (J) **Board of directors of the Oregon Investment [Council] Corporation.**

19 (K) Land Conservation and Development Commission.

20 (L) Oregon Liquor Control Commission.

21 (M) Oregon Short Term Fund Board.

22 (N) State Marine Board.

23 (O) Mass transit district boards.

24 (P) Energy Facility Siting Council.

25 (Q) Board of Commissioners of the Port of Portland.

26 (R) Employment Relations Board.

27 (S) Public Employees Retirement Board.

28 (T) Oregon Racing Commission.

29 (U) Oregon Transportation Commission.

30 (V) Wage and Hour Commission.

31 (W) Water Resources Commission.

32 (X) Workers' Compensation Board.

33 (Y) Oregon Facilities Authority.

34 (Z) Oregon State Lottery Commission.

35 (AA) Pacific Northwest Electric Power and Conservation Planning Council.

36 (BB) Columbia River Gorge Commission.

37 (CC) Oregon Health and Science University Board of Directors.

38 (DD) Capitol Planning Commission.

39 (EE) Higher Education Coordinating Commission.

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

41 (A) Deputy State Treasurer.

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

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

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

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

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

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

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

10 (4) Within 30 days after the filing deadline for the general election, each candidate described in  
11 subsection (1) of this section who was not a candidate in the preceding primary election, or who  
12 was nominated for public office described in subsection (1) of this section at the preceding primary  
13 election by write-in votes, shall file with the commission a statement of economic interest as re-  
14 quired under ORS 244.060, 244.070 and 244.090.

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

19 (6) If a statement required to be filed under this section has not been received by the commis-  
20 sion within five days after the date the statement is due, the commission shall notify the public of-  
21 ficial or candidate and give the public official or candidate not less than 15 days to comply with the  
22 requirements of this section. If the public official or candidate fails to comply by the date set by the  
23 commission, the commission may impose a civil penalty as provided in ORS 244.350.

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

25 244.055. (1) In addition to the statement required by ORS 244.050, the State Treasurer, *[and]* any  
26 person listed under ORS 244.050 (1)(q) and *[this subsection]* **the directors of the Finance Division**  
27 **and the Debt Management Division** shall file quarterly at a time fixed by the State Treasurer a  
28 trading statement listing all stocks, bonds and other types of securities purchased or sold during the  
29 preceding quarter[.].

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

31 *[(b) Equities, fixed income, short term fund, real estate, equities real estate and commercial and*  
32 *mortgage real estate investment officers and assistant investment officers.]*

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

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

37 (3) If the State Treasurer or the Deputy State Treasurer determines that a conflict of interest  
38 exists for an officer or employee, the State Treasurer shall subject the person to appropriate disci-  
39 pline, including dismissal or termination of the contract, or both, pursuant to rule. If the State  
40 Treasurer has cause to believe that a violation of this chapter has occurred, the State Treasurer  
41 shall file a complaint with the Oregon Government Ethics Commission under ORS 244.260.

42 (4) If the State Treasurer fails to act on an apparent conflict of interest under subsection (3)  
43 of this section or if the statement of the State Treasurer or the Deputy State Treasurer appears to  
44 contain a conflict of interest, the Director of the Division of Audits shall report the failure or ap-  
45 parent conflict to the Attorney General, who may file a complaint with the commission.

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

9 (6) If the executive director of the Oregon Investment Corporation determines that a  
 10 conflict of interest exists for an employee or a violation of the corporation's code of ethics  
 11 has occurred, the executive director shall subject the person to appropriate discipline. If the  
 12 executive director has cause to believe that a violation of this chapter has occurred, the  
 13 executive director shall file a complaint with the Oregon Government Ethics Commission  
 14 under ORS 244.260.

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

16 293.708. (1) As used in this section:

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

18 (b) "Business with which the person is associated" has the meaning given that term in ORS  
 19 244.020.

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

21 (2) When a person who is a member of the **board of directors of the** Oregon Investment  
 22 [*Council*] **Corporation** becomes aware that action on a matter pending before the [*council*] **board**  
 23 **or corporation** might lead to private pecuniary benefit or detriment to the person, to a relative of  
 24 the person or to a business with which the person or a relative of the person is associated, the  
 25 member shall notify in writing the **executive director of the corporation, the chairperson of the**  
 26 **board and the** State Treasurer or the Deputy State Treasurer that any action, decision or recom-  
 27 mendation by the member might constitute an actual or potential conflict of interest. The member  
 28 shall provide the notice not later than three business days after the member becomes aware of the  
 29 possibility of an actual or potential conflict.

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

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

35 (5) Nothing in this section excuses a member of the [*council*] **board** from compliance with ORS  
 36 244.120.

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

38 246.590. (1) The [*State Treasurer, in the capacity of investment officer for the Oregon Investment*  
 39 *Council,*] **Oregon Investment Corporation** may lend moneys in the investment funds **or any other**  
 40 **moneys the corporation is charged by law with investing** as provided in ORS 293.701 to 293.820  
 41 for the acquisition of:

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

44 (b) Computers or computer systems for the purpose of maintaining and updating elector regis-  
 45 tration files or for establishing cross-county elector registration files, including those that the Sec-

1   retary of State has contracted to sell to a county.

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

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

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

8       (3) Moneys lent under this section shall be repaid within five years together with interest at a  
 9   rate agreed upon by the [*State Treasurer*] **corporation** and the Secretary of State.

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

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

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

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

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

25       (5) Before disposing of lands described in subsection (1) of this section, the Department of State  
 26   Lands shall cause owners or lessees of land adjoining the land to be notified of the  
 27   pending disposition. The notice shall indicate the time and method of sale, the minimum or reserved  
 28   price, if any, and shall invite the landowners or lessees to participate as a prospective purchaser if  
 29   the landowner or lessee wishes to do so.

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

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

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

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

37       276.013. When the Director of the Oregon Department of Administrative Services determines  
 38   that an office building as defined in ORS 276.110 would be the best means to further the public  
 39   policy of this state as declared in ORS 276.426, or otherwise to accomplish the purposes of ORS  
 40   276.005 (1), the Oregon Department of Administrative Services may request the [*State Treasurer*]  
 41   **Oregon Investment Corporation** and investing agency, as defined in ORS 276.110, to loan funds  
 42   to acquire the buildings necessary to carry out that policy.

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

44       276.015. For the purposes of ORS 276.002 to 276.007 and 276.010 to 276.137, the [*State*  
 45   *Treasurer*] **Oregon Investment Corporation**, with the approval of the investing agency, as defined

1 in ORS 276.110, may invest not to exceed seven percent of the moneys in any appropriate fund in-  
 2 cluded in the investment funds, as defined in ORS 293.701, on such terms and conditions as the [*State*  
 3 *Treasurer*] **corporation**, the investing agency and the Oregon Department of Administrative Ser-  
 4 vices determine.

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

6 276.110. As used in ORS 276.013, 276.015 and 276.110 to 276.137, unless the context requires  
 7 otherwise:

8 (1) “Cost of acquisition” includes the costs of sites, plans, specifications, architects’ fees, interest  
 9 on investments of the investing funds and all other costs related to the erection and equipping of  
 10 office buildings or to the purchase, alteration, repair and equipping of buildings for office purposes.

11 (2) “Investing agency” means the board, commission, department or other agency whose funds  
 12 are defined as investment funds in ORS 293.701.

13 (3) “Investing funds” means those funds enumerated in ORS 293.701 (2), when invested pursuant  
 14 to ORS 276.013, 276.015 and 276.110 to 276.137.

15 (4) “Office building” means any building in the State of Oregon acquired under ORS 276.013,  
 16 276.015 and 276.110 to 276.137, by appropriation therefor, or as otherwise provided by law, to provide  
 17 centralized office quarters for state agencies and may include parking, storage, motor pool and ser-  
 18 vice facilities.

19 [(5) “*State Treasurer*” means the *State Treasurer in the capacity of investment officer for the*  
 20 *Oregon Investment Council.*]

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

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

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

30 (b) Invest proceeds alone or in combination with other moneys in investments that have different  
 31 maturities, yields or credit qualities than the state would acquire under the investment **objective**  
 32 **and** standards specified in ORS [293.721 and] 293.726 **and section 4 of this 2013 Act** and other  
 33 similar laws, but only if those investments facilitate compliance with covenants described in this  
 34 subsection; or

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

37 (2) When the State of Oregon receives interest rate subsidies from the United States in con-  
 38 nection with bonds, the State Treasurer or the related agency, to the extent permitted by federal  
 39 law, may:

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

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

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

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

1 293.353. (1) As payment for expenses of processing banking-related transactions, the State  
 2 Treasurer **or the Oregon Investment Corporation** may charge each state agency having such  
 3 transactions involving the State Treasury. The amount so charged shall be determined by the num-  
 4 ber of transactions processed by the State Treasurer **or the corporation** and shall be paid in the  
 5 manner determined by the State Treasurer **or the corporation** to be most efficient and cost effec-  
 6 tive. The proceeds from such charges shall be deposited in:

7 (a) The Miscellaneous Receipts Account established in the General Fund for the State Treas-  
 8 urer, and such proceeds are continuously appropriated for payment of expenses of the office of the  
 9 State Treasurer in processing banking-related transactions; **or**

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

12 (2) When the [*State Treasurer*] **Oregon Investment Corporation** transfers the assets of the lo-  
 13 cal government investment pool to the state investment fund established under ORS 293.701 (2)(n)  
 14 as authorized by ORS 294.882, "state agency," as used in this section, includes local government  
 15 participants in the state investment fund.

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

17 294.035. (1) Subject to ORS 294.040 and 294.135 to 294.155, the custodial officer may invest any  
 18 sinking fund, bond fund or surplus funds in the custody of the custodial officer in the bank accounts,  
 19 classes of securities at current market prices, insurance contracts and other investments listed in  
 20 this section, but only after obtaining from the governing body of the county, municipality, political  
 21 subdivision or school district a written order that has been entered in the minutes or journal of the  
 22 governing body.

23 (2) This section does not:

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

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

29 (3) Investments authorized by this section are:

30 (a) Lawfully issued general obligations of the United States, the agencies and instrumentalities  
 31 of the United States or enterprises sponsored by the United States Government and obligations  
 32 whose payment is guaranteed by the United States, the agencies and instrumentalities of the United  
 33 States or enterprises sponsored by the United States Government.

34 (b) Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon  
 35 and its political subdivisions that have a long-term rating of A or an equivalent rating or better or  
 36 are rated on the settlement date in the highest category for short-term municipal debt by a na-  
 37 tionally recognized statistical rating organization.

38 (c) Lawfully issued debt obligations of the States of California, Idaho and Washington and poli-  
 39 tical subdivisions of those states if the obligations have a long-term rating of AA or an equivalent  
 40 rating or better or are rated on the settlement date in the highest category for short-term municipal  
 41 debt by a nationally recognized statistical rating organization.

42 (d) Time deposit open accounts, certificates of deposit and savings accounts in insured insti-  
 43 tutions as defined in ORS 706.008, in credit unions as defined in ORS 723.006 or in federal credit  
 44 unions, if the institution or credit union maintains a head office or a branch in this state.

45 (e) Share accounts and savings accounts in credit unions in the name of, or for the benefit of,

1 a member of the credit union pursuant to a plan of deferred compensation.

2 (f) Fixed or variable life insurance or annuity contracts as defined by ORS 731.170 and guaran-  
3 teed investment contracts issued by life insurance companies authorized to do business in this state.

4 (g) Trusts in which deferred compensation funds from other public employers are pooled, if:

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

6 (B) The trust is a public instrumentality of such public employers and described in section (2)(b)  
7 of the Investment Company Act of 1940, 15 U.S.C. 80a-2(b), as amended, in effect on September 20,  
8 1985, or the trust is a common trust fund described in ORS 709.170;

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

14 (D) The fidelity of the trustees and others with access to such assets, other than a trust com-  
15 pany, as defined in ORS 706.008, is insured by a surety bond that is satisfactory to the public em-  
16 ployer, issued by a company authorized to do a surety business in this state and in an amount that  
17 is not less than 10 percent of the value of such assets.

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

19 (i) Guaranteed by, and carried on the books of, a qualified financial institution;

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

21 (iii) Issued by a qualified financial institution whose short-term letter of credit rating is rated  
22 in the highest category by one or more nationally recognized statistical rating organizations.

23 (B) For the purposes of this paragraph, "qualified financial institution" means:

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

26 (ii) A financial institution that is wholly owned by a financial holding company or a bank hold-  
27 ing company that owns a financial institution that is located and licensed to do banking business in  
28 the State of Oregon.

29 (C) A custodial officer shall not permit more than 25 percent of the moneys of a local govern-  
30 ment that are available for investment, as determined on the settlement date, to be invested in  
31 banker's acceptances of any qualified financial institution.

32 (i)(A) Corporate indebtedness subject to a valid registration statement on file with the Securities  
33 and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities  
34 Act of 1933, as amended. Corporate indebtedness described in this paragraph does not include  
35 banker's acceptances. The corporate indebtedness must be issued by a commercial, industrial or  
36 utility business enterprise, or by or on behalf of a financial institution, including a holding company  
37 owning a majority interest in a qualified financial institution.

38 (B) Corporate indebtedness must be rated on the settlement date P-1 or Aa or better by Moody's  
39 Investors Service or A-1 or AA or better by Standard & Poor's Corporation or equivalent rating by  
40 any nationally recognized statistical rating organization.

41 (C) Notwithstanding subparagraph (B) of this paragraph, the corporate indebtedness must be  
42 rated on the settlement date P-2 or A or better by Moody's Investors Service or A-2 or A or better  
43 by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rat-  
44 ing organization when the corporate indebtedness is:

45 (i) Issued by a business enterprise that has its headquarters in Oregon, employs more than 50

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

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

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

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

20 (k) Shares of stock of any company, association or corporation, including but not limited to  
 21 shares of a mutual fund, but only if the moneys being invested are funds set aside pursuant to a  
 22 local government deferred compensation plan and are held in trust for the exclusive benefit of par-  
 23 ticipants and their beneficiaries.

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

25 294.805. As used in ORS 294.805 to 294.895:

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

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

28 [(3)] (2) "Funds" means funds under the control or in the custody of any local government offi-  
 29 cial by virtue of office that are not required to meet current demands.

30 [(4) "Investment officer" means the State Treasurer in capacity as investment officer for the council  
 31 and the investment pool.]

32 [(5)] (3) "Investment pool" means the aggregate of all funds from local government officials that  
 33 are placed in the custody of the [investment officer] **Oregon Investment Corporation** for investment  
 34 and reinvestment as provided under ORS 294.805 to 294.895.

35 [(6)] (4) "Local government official" means each officer or employee of any agency, political  
 36 subdivision or public corporation of this state, including the Oregon State Bar, who by law is made  
 37 the custodian of or has control of any funds.

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

39 294.810. (1) With the consent of the governing body, a local government official may place in the  
 40 aggregate up to \$30 million of its funds in the investment pool, or, if the assets of the investment  
 41 pool have been transferred pursuant to ORS 294.882, for investment and reinvestment by the [in-  
 42 vestment officer] **Oregon Investment Corporation** as provided under ORS 293.701 to 293.820 or  
 43 294.805 to 294.895, as the case may be. The \$30 million limitation stated in this section does not  
 44 apply either to funds of a governing body that are placed in the investment pool on a pass-through  
 45 basis or to funds invested on behalf of another government unit. Local governments must remove

1 pass-through funds that result in an account balance in the pool in excess of \$30 million within 10  
 2 business days. County governments must remove such excess funds within 20 business days.

3 (2) The \$30 million limitation contained in subsection (1) of this section shall increase in pro-  
 4 portion to the increase occurring after September 9, 1995, in the Consumer Price Index for All Ur-  
 5 ban Consumers of the Portland, Oregon, Metropolitan Statistical Area, as compiled by the United  
 6 States Department of Labor, Bureau of Labor Statistics.

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

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

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

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

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

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

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

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

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

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

30 294.825. [(1) *The State Treasurer is the investment officer for the Oregon Investment Council and*  
 31 *the investment pool, and shall perform functions in that capacity as authorized or required by law and,*  
 32 *consistent with law, by the council.*]

33 [(2)] (1) [*The bond of the State Treasurer required from the State Treasurer by law shall be*  
 34 *deemed to extend to the faithful performance of all functions of the office of investment officer under*  
 35 *ORS 294.805 to 294.895.*] **The Oregon Investment Corporation shall invest moneys in the in-**  
 36 **vestment pool in the manner provided by law.**

37 [(3)] (2) The [*investment officer*] **corporation** may:

38 (a) Subject to any applicable provision of the State Personnel Relations Law, employ, prescribe  
 39 the functions and fix the compensation of personnel necessary to facilitate and assist in carrying  
 40 out the functions of the [*council, investment officer*] **corporation** and investment pool.

41 (b) Require a fidelity bond of any person employed by the [*investment officer*] **corporation** who  
 42 has charge of, handles or has access to any of the moneys in the investment pool. The amounts of  
 43 the bonds shall be fixed by the [*investment officer*] **corporation**, except as otherwise provided by law,  
 44 and the sureties shall be approved by the [*investment officer*] **corporation**. The premiums on the  
 45 bonds shall be an expense of the [*State Treasurer*] **corporation**.

1        [(4)] (3) Subject to review by the **Oregon Short Term Fund** Board, the [*investment officer*]  
 2 **corporation** may, pursuant to ORS chapter 183, make reasonable rules necessary for the adminis-  
 3 tration of ORS 294.805 to 294.895.

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

5        294.831. (1) The [*local government*] investment pool shall seek to obtain a competitive return on  
 6 investments subject to the standards set forth in ORS 294.835 and consistent with the liquidity re-  
 7 quirements demanded by the short term nature of local government deposits in the pool.

8        (2) The [*investment officer*] **Oregon Investment Corporation** shall at all times hold investments  
 9 which mature in three years or less, in an amount not less than an amount equal to the aggregate  
 10 of all funds placed with the [*investment officer*] **corporation** by local governments under ORS 294.805  
 11 to 294.895, which investments shall be from the funds defined in ORS 293.701 (2)(o).

12        (3) Notwithstanding subsection (2) of this section, the [*investment officer*] **corporation** may pur-  
 13 chase legally issued general obligations of the United States and of the agencies and instrument-  
 14 alities of the United States if the seller of the obligations agrees to repurchase the obligations  
 15 within 90 days following the date on which the [*investment officer*] **corporation** makes the invest-  
 16 ment. The price paid by the [*investment officer*] **corporation** for such obligations may not exceed  
 17 amounts or percentages prescribed by written policy of the [*Oregon Investment Council*] **board of**  
 18 **directors of the corporation** or the Oregon Short Term Fund Board created by ORS 294.885.

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

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

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

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

32        294.845. In amounts available for investment purposes and subject to the policies formulated by  
 33 the [*Oregon Investment Council*] **board of directors of the Oregon Investment Corporation**, the  
 34 [*investment officer*] **corporation** shall invest and reinvest moneys in the investment pool and acquire,  
 35 retain, manage, including exercise of any voting rights, and dispose of investments of the investment  
 36 pool.

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

38        294.847. In making investments pursuant to ORS 294.805 to 294.895, the [*investment officer*]  
 39 **Oregon Investment Corporation** may not:

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

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

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

45        (4) Pay for any securities purchased by the [*investment officer*] **corporation** until the [*investment*

1 *officer*] **corporation** has received physical possession, or other sufficient evidence, as determined  
 2 under ORS 293.751 [(1)], of title to the securities. However, the [*investment officer*] **corporation** may  
 3 instruct any custodial agent or bank to accept securities on the [*investment officer's*] **corporation's**  
 4 behalf against payment for the securities previously deposited with the custodial agent or bank by  
 5 the [*investment officer*] **corporation**; or

6 (5) Deliver securities to the purchaser of the securities upon sale prior to receiving payment in  
 7 full for the securities. However, the [*investment officer*] **corporation** may deliver the securities to  
 8 any custodial agent or bank upon instructions to hold the securities pending receipt by the custodial  
 9 agent or bank of full payment for the securities.

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

11 294.850. The Oregon Investment [*Council*] **Corporation** may enter into contracts with one or  
 12 more persons whom the [*council*] **corporation** determines to be qualified, whereby the persons  
 13 undertake, in lieu of the [*investment officer*] **corporation**, to perform the functions specified in ORS  
 14 294.845 to the extent provided in the contract. Performance of functions under contract so entered  
 15 into shall be paid for out of the gross interest or other income of the investments with respect to  
 16 which the functions are performed, and the net interest or other income of the investments after  
 17 that payment shall be considered income of the investment pool. The [*council*] **corporation** may re-  
 18 quire a person contracted with to give to the state a fidelity bond in a penal sum as may be fixed  
 19 by law or, if not so fixed, as may be fixed by the [*council*] **corporation**, with corporate surety au-  
 20 thorized to do business in this state. Contracts so entered into and functions performed thereunder  
 21 are not subject to the State Personnel Relations Law or ORS 279A.140.

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

23 294.855. (1) In the acquisition or disposition of bonds with which approving legal opinions ordi-  
 24 narily are furnished, the [*investment officer*] **Oregon Investment Corporation** may require an ori-  
 25 ginal or certified copy of the written opinion of a reputable bond attorney or attorneys, or the  
 26 written opinion of the Attorney General, certifying to the legality of the bonds.

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

30 [(3)] (2) The [*investment officer, with the approval of the council,*] **corporation** may arrange for  
 31 services with respect to mortgages in which moneys in the investment pool are invested. Those  
 32 services shall be paid for out of the gross interest of the mortgages with respect to which the ser-  
 33 vices are furnished, and the net interest of the mortgages after that payment shall be considered  
 34 income of the investment pool. The furnishing and acquisition of those services are not subject to  
 35 the State Personnel Relations Law or ORS 279A.140.

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

37 294.860. (1) Except as provided in ORS 294.850 and this subsection, all instruments of title of  
 38 all investments of the investment pool shall remain in the custody of the [*investment officer*] **Oregon**  
 39 **Investment Corporation**. The [*investment officer*] **corporation** may deposit with one or more cus-  
 40 todial agents or banks those instruments of title that the [*State Treasurer*] **corporation** considers  
 41 advisable, to be held in safekeeping by the agents or banks for collection of the principal and in-  
 42 terest or other income, or of the proceeds of sale or maturity. For purposes of this section, instru-  
 43 ments of title of investments of the investment pool may include such evidence of title as the  
 44 [*investment officer shall consider*] **corporation considers** secure and consistent with modern invest-  
 45 ment, banking and commercial practices, and may include book entry and automated recordation of

1 such title.

2 (2) Except as provided in ORS 294.850 and 294.855 [(3)] (2) and subsections (1) and (3) of this  
 3 section, the [investment officer] **corporation** shall collect the principal and interest or other income  
 4 of investments of the investment pool, title of which is in the [investment officer's] **corporation's**  
 5 custody, when due and payable, and shall pay to the appropriate local government official the prin-  
 6 cipal and interest or other income, within 30 days after the last day of the calendar quarter in which  
 7 the principal and interest or other income accrues. Not less often than quarterly and without regard  
 8 to whether the short-term investments were made with moneys placed by local government officials  
 9 or by other sources, the [investment officer] **corporation** shall compute the amount by which the  
 10 current fair market value exceeds or is less than the net purchase price of all short-term invest-  
 11 ments administered by the [investment officer] **corporation** that mature more than 270 days from the  
 12 date computation is made. The [investment officer] **corporation** shall compute the fair market value  
 13 of such investments based upon the mean value of the bid and ask price of such investments as of  
 14 the date of computation, based upon quotations from reputable dealers or financial institutions  
 15 dealing in such investments. If the amount so computed by the [investment officer] **corporation** totals  
 16 more than one percent of the balance of the pool, either in terms of a gain or loss, the [investment  
 17 officer] **corporation** shall allocate the amount to all pool participants. Any addition to or deduction  
 18 from amounts to be distributed shall be allocated among the municipalities participating in the pool  
 19 at any time during the month in proportion to their average daily balances of funds invested through  
 20 the pool. Investments maturing 270 days or less from the date of computation shall not be subject  
 21 to the foregoing computation, but for other purposes shall be valued at book value or original pur-  
 22 chase price.

23 (3) In the event of default in the payment of principal or interest or other income of any in-  
 24 vestment of the investment pool, the [investment officer, with the approval of the council,] **corpo-**  
 25 **ration** may:

26 (a) Institute [the proper] proceedings to collect the matured principal or interest or other in-  
 27 come.

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

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

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

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

37 294.865. The [State Treasurer] **Oregon Investment Corporation** may deduct monthly a maxi-  
 38 mum of 0.435 basis points of the most recent market value of assets under the management of the  
 39 investment pool. Amounts so deducted shall pay the [State Treasurer] **corporation** for expenses of  
 40 the **corporation**. [State Treasurer as investment officer and to the extent the amounts deducted are so  
 41 used shall be deposited into the Miscellaneous Receipts Account established in the General Fund for  
 42 the State Treasurer, and are continuously appropriated for payment of the expenses of the State  
 43 Treasurer as investment officer.] **The corporation shall deposit amounts deducted under this**  
 44 **section in the Oregon Investment Corporation Fund established under section 9 of this 2013**  
 45 **Act.**

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

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

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

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

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

(2) The report shall include:

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

(b) A description of every investment in the portfolio of assets in the investment pool showing issuer, coupon, purchase date, maturity date, yield to maturity, book value, market value as of the end of the month for which the report is rendered and the method used to value pool investments;

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

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

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

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

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

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

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

294.882. (1) It is recognized that a time may come when the interest of local governments diminishes to the extent that participation in the [*local government*] investment pool no longer war-

1 rants its operation as a separate fund. If the *[local government]* investment pool decreases to a level  
 2 below \$125 million, the *[State Treasurer]* **Oregon Investment Corporation** may transfer the assets  
 3 of the pool to the state investment fund established under ORS 293.701 (2)(n). In that event, the  
 4 *[local government]* investment pool participant accounts will be treated as are other state funds and  
 5 accounts in receiving a proportionate share of the earnings of that investment fund. Notwithstanding  
 6 ORS 294.805 to 294.895, but subject to ORS 294.810, when the *[State Treasurer]* **corporation** trans-  
 7 fers the assets of the *[local government]* investment pool to the state investment fund, the distrib-  
 8 utions of income to local governments, payment of related expenses and the reporting, program  
 9 examination and audit functions with respect to the investment pool participant accounts shall be  
 10 administered in accordance with ORS 293.353 and 293.701 to 293.820.

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

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

24 294.895. The Oregon Short Term Fund Board shall:

25 (1) Advise the *[Oregon Investment Council and the investment officer]* **Oregon Investment Cor-**  
 26 **poration** in the management of the investment pool and in the investment of moneys deposited in  
 27 the Oregon Short Term Fund established under ORS 293.728 and invested pursuant to ORS 293.701  
 28 to 293.820.

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

31 (3) Consult with the *[council and the investment officer]* **corporation** on any matter relating to  
 32 the investment and reinvestment of funds in the investment pool and on any matter relating to the  
 33 investment or reinvestment of moneys deposited in the Oregon Short Term Fund and invested by the  
 34 *[State Treasurer]* **corporation**.

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

36 295.101. (1) The following public funds are not subject to the provisions of ORS 295.001 to  
 37 295.108:

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

41 (b) Funds that are invested in authorized investments under provisions of law other than ORS  
 42 295.001 to 295.108. Funds invested under ORS 293.701 to 293.820 are invested in authorized invest-  
 43 ments for purposes of this subsection from the time the funds are transferred by the *[State*  
 44 *Treasurer]* **Oregon Investment Corporation** to a third party under the terms of a contract for in-  
 45 vestment or administration of the funds that requires such a transfer until the time the funds are

1 returned to the [*treasurer*] **corporation** or paid to another party under the terms of the contract.

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

5 (d) Funds that are held by a public official and are required by federal law or contractual pro-  
 6 visions to be collateralized at 100 percent, if the funds are deposited in an account that is separate  
 7 from other accounts of the public official in a depository, and the public official and the depository  
 8 have entered into a written agreement that provides a perfected security interest to the public of-  
 9 ficial in collateral valued at an amount at least equal to the amount of funds in the account in a  
 10 manner substantially similar to a pledge agreement described in ORS 295.001 (15).

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

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

14 311.701. (1) There is established in the State Treasury the Senior Property Tax Deferral Re-  
 15 volving Account to be used by the Department of Revenue for the purpose of making the payments  
 16 to:

17 (a) County tax collectors of property taxes deferred for tax years beginning on or after January  
 18 1, 1983, as required by ORS 311.676.

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

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

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

25 (3) All sums of money received by the Department of Revenue under ORS 311.666 to 311.701 as  
 26 repayments of deferred property taxes or under ORS 311.702 to 311.735 as repayments of deferred  
 27 special assessment improvement amounts, including the interest accrued under ORS 311.674 (3) or  
 28 311.711 (3) shall, upon receipt, be credited to the revolving account and are continuously appropri-  
 29 ated to the department for the purposes of subsection (1) of this section.

30 (4)(a) If there are not sufficient moneys in the revolving account to make the payments required  
 31 by subsection (1) of this section, and the amount appropriated from the General Fund is not suffi-  
 32 cient when added together with the moneys in the revolving account to provide an amount sufficient  
 33 to make the required payments, the [*State Treasurer, in the capacity of investment officer for the*  
 34 *Oregon Investment Council,*] **Oregon Investment Corporation** may lend to the Department of Re-  
 35 venue such amounts as may be necessary to make the payments.

36 (b) The [*State Treasurer*] **corporation** may lend moneys that may be invested as provided in ORS  
 37 293.701 to 293.820.

38 (c) Any moneys lent under this subsection shall be repaid within five years together with in-  
 39 terest at a rate determined by the [*State Treasurer*] **corporation** and consistent with the investment  
 40 **objective and** standards [*of ORS 293.721 and*] **set forth in section 4 of this 2013 Act and ORS**  
 41 293.726.

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

43 327.425. (1) All moneys belonging to the Common School Fund and not required to meet current  
 44 expenses shall be loaned by the Department of State Lands at a rate of interest fixed by the de-  
 45 partment except as otherwise specified in ORS 348.050 (3). The department may consult with and

1 obtain the recommendation of the Oregon Investment [*Council*] **Corporation** in fixing the interest  
2 rate.

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

6 (3) If at any time there is a Common School Fund surplus over and above all loans applied for,  
7 such portion of the surplus as the department deems proper may be invested as provided in ORS  
8 293.701 to 293.820. The department may require the State Treasurer to deposit any such surplus,  
9 until it is able to loan same, in qualified state depositories, upon the same terms and conditions as  
10 other public funds are deposited therein, in which event any interest received from any such state  
11 depository shall be credited to the fund on which such interest was earned.

12 (4) Except as provided in ORS 348.050 (3), the department may reduce the rate of interest to be  
13 paid upon outstanding loans from the Common School Fund and any trust fund placed in its charge,  
14 to correspond with the rate of interest to be paid upon new loans, but no reduction in rate of in-  
15 terest shall be made upon any of the loans until interest at the old rate has been paid in full to date  
16 of receipt of remittance at the office of the department.

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

18 348.703. (1) The Oregon Growth Account Board shall contract with one or more management  
19 companies to manage and invest the moneys in the Oregon Growth Account. For purposes of this  
20 subsection, a contract with a management company may consist of:

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

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

26 (2) The provisions of ORS 293.726 do not apply to those assets of the Education Stability Fund  
27 that are held in the Oregon Growth Account. The limitations of ORS 293.726 (6) shall be calculated  
28 based only on the balance of the Education Stability Fund that does not include the Oregon Growth  
29 Account.

30 (3) A management company selected to manage the Oregon Growth Account shall manage the  
31 moneys in the account, subject to investment policies established by the State Treasurer and the  
32 investment directives or strategies of the Oregon Growth Account Board, with the care, skill and  
33 diligence that a prudent investor acting in a similar capacity and familiar with such investments  
34 would use in managing and investing a similar account. The management company shall invest in  
35 Oregon an amount that is at least equal to the amount of the principal transferred from the Oregon  
36 Growth Account to the management company for investment.

37 (4) The contract between the board and a management company to manage the Oregon Growth  
38 Account and the functions performed under the contract are not subject to the State Personnel Re-  
39 lations Law or ORS 279.835 to 279.855 or ORS chapter 279A or 279B.

40 (5) Notwithstanding ORS 348.702 (5), a management company selected to manage the Oregon  
41 Growth Account may maintain a portion of the moneys allocated to the account under ORS 348.702  
42 (1) in short-term securities in investments other than those specified in ORS 348.702 (5) during such  
43 times as a management company is seeking investments that meet the requirements of ORS 348.702  
44 (5).

45 (6) The [*State Treasurer*] **Oregon Investment Corporation** shall annually submit a report to the

1 Governor and to the Legislative Assembly on the investment of moneys in the Oregon Growth Ac-  
 2 count. The report required by this subsection shall include a summary of the amount of money in-  
 3 vested by industrial sector or business classification, by region of this state, by size of investment  
 4 and by type of investment.

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

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

10 (9) There is continuously appropriated to the board from the Oregon Growth Account those  
 11 amounts necessary to meet the expenses of the board and the [*State Treasurer*] **corporation** in  
 12 carrying out the operations of the Oregon Growth Account and the duties of the board and the  
 13 [*State Treasurer*] **corporation**. The cost to the [*office of the State Treasurer*] **corporation** of provid-  
 14 ing staff to the board shall be [*deducted*] **subtracted** from those amounts [*paid to the State*  
 15 *Treasurer*] **deducted by the corporation as payment for expenses** pursuant to ORS 293.718. [*as*  
 16 *reimbursement for expenses incurred as investment officer for the Education Stability Fund.*]

17 (10) The board may enter into contracts for the provision of investment advice or other services  
 18 that the board [*deems*] **considers** reasonable and necessary to fulfill the duties of the board. The  
 19 [*State Treasurer*] **corporation** may enter into contracts for the provision of investment advice or  
 20 other services that the [*State Treasurer deems*] **corporation considers** reasonable and necessary to  
 21 fulfill the duties of the [*State Treasurer*] **corporation** with respect to the Oregon Growth Account.  
 22 Such contracts are not subject to the State Personnel Relations Law or ORS 279.835 to 279.855 or  
 23 ORS chapter 279A or 279B.

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

25 351.695. (1) A university within the Oregon University System may deposit moneys received for  
 26 its university venture development fund in the Higher Education Donation Fund established under  
 27 ORS 351.130.

28 (2) Notwithstanding ORS 351.697 (5), the [*State Treasurer*] **Oregon Investment Corporation**,  
 29 as payment for expenses, may deduct a fee pursuant to ORS 293.718 from a university venture de-  
 30 velopment fund administered by a university within the Oregon University System or the Oregon  
 31 Health and Science University.

32 (3) A university within the Oregon University System or the Oregon Health and Science Uni-  
 33 versity may direct that moneys credited to its university venture development fund be held and in-  
 34 vested by the university's affiliated foundation. Any moneys held by an affiliated foundation under  
 35 this section or ORS 351.697 are not subject to the provisions of ORS chapter 293 or 295 and may  
 36 not be considered public or state funds for any purpose. Moneys transferred to an affiliated foun-  
 37 dation under this section or ORS 351.697 may be used only as provided under ORS 351.692, 351.695,  
 38 351.697 and 353.445.

39 (4) At the request of a university within the Oregon University System, moneys in the Higher  
 40 Education Donation Fund that were deposited by the university under this section may be trans-  
 41 ferred to the university's affiliated foundation.

42 (5) A university within the Oregon University System or the Oregon Health and Science Uni-  
 43 versity may retain or may elect to have its affiliated foundation retain some or all of the principal  
 44 contributed to a university venture development fund for investment to perpetuate and increase the  
 45 moneys available for expenditure. The balance of the fund and the earnings on that balance may be

1 used as provided under ORS 351.692, 351.695, 351.697 and 353.445.

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

3 391.520. The Oregon Mass Transportation Financing Authority is hereby created as a public  
 4 instrumentality of the State of Oregon and the exercise by the authority of the powers conferred  
 5 by ORS 267.227 and 391.500 to 391.660 is the performance of an essential public function. The au-  
 6 thority shall consist of the chairperson of the Oregon Transportation Commission, the State Treas-  
 7 urer, or designee, the [*chairperson*] **executive director** of the Oregon Investment [*Council*]  
 8 **Corporation**, or designee, and a representative designated by the board of directors of each district.

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

10 391.605. (1) [*No*] **A** transfer authorized by ORS 267.020 of a mass transit district system to a  
 11 metropolitan service district [*shall*] **may not** take effect while bonds issued by the Oregon Mass  
 12 Transportation Financing Authority to finance mass transit facilities for the district are outstanding  
 13 until a plan designed to repay any outstanding bonds when due is prepared by the governing body  
 14 of the metropolitan service district and approved by:

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

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

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

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

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

22 411.128. (1) In addition to other funds made available for education and training of public as-  
 23 sistance recipients, the Department of Human Services may accept gifts and grants from private  
 24 sources for the purpose of providing the scholarships or grants authorized under ORS 411.580.

25 (2) **The Department of Human Services Scholarship Account is established, separate and**  
 26 **distinct from the General Fund.** The moneys received under subsection (1) of this section shall  
 27 be deposited in **the account.** [*a special account, separate and distinct from the General Fund, to be*  
 28 *named the Department of Human Services Scholarship Account, which account is established.*] All  
 29 moneys in the account and all earnings thereon are continuously appropriated to the Department  
 30 of Human Services to be used together with any federal funds that may be available to provide  
 31 scholarships or grants under ORS 411.580.

32 (3) The amount in the Department of Human Services Scholarship Account that is available af-  
 33 ter scholarships and grants under ORS 411.580 have been awarded for any period shall be reported  
 34 to the Oregon Investment [*Council*] **Corporation** by the Department of Human Services and shall  
 35 be considered investment funds within the meaning of ORS 293.701 to 293.820 and shall be invested  
 36 in accordance with the standards of ORS 293.726. All earnings on such investments shall be credited  
 37 to the Department of Human Services Scholarship Account.

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

39 456.530. Notwithstanding [*ORS 293.721 and*] **the investment objective and standards set**  
 40 **forth in section 4 of this 2013 Act and ORS 293.726** and subject to the provisions of any agree-  
 41 ment with holders of bonds issued pursuant to ORS 456.519 or 456.524 (1979 Replacement Part), the  
 42 Housing and Community Services Department may consider the willingness or commitment of a  
 43 lending institution as defined in ORS 456.548 to make loans for residential housing as a factor in  
 44 selecting depositaries and otherwise investing funds held under ORS 456.515 to 456.725 in or through  
 45 such lending institutions.

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

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

(a) A nonlicensed individual who is a full-time employee of a single owner of real estate whose real estate activity involves the real estate of the employer and:

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

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

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

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

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

(C) The individual does not use the power of attorney as a device to engage in professional real estate activity without obtaining the necessary real estate license.

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

(d) A nonlicensed individual who is an attorney at law rendering services in the performance of duties as an attorney at law.

(e) A nonlicensed individual who acts in the individual's official capacity as a receiver, a conservator, a trustee in bankruptcy, a personal representative or a trustee, or a regular salaried employee of the trustee, acting under a trust agreement, deed of trust or will.

(f) A nonlicensed individual who performs an act of professional real estate activity under order of a court.

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

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

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

(j) An individual who sells or leases cemetery lots, parcels or units while engaged in the disposition of human bodies under ORS 97.010 to 97.040, 97.110 to 97.450, 97.510 to 97.730, 97.810 to 97.920

1 and 97.990 or an employee of the nonlicensed individual performing similar activities.

2 (k) An individual who is a salaried employee of the State of Oregon, or any of its political sub-  
3 divisions, engaging in professional real estate activity as a part of such employment.

4 (L) A nonlicensed individual who analyzes or provides advice regarding permissible land use  
5 alternatives, environmental impact, building and use permit procedures or demographic market  
6 studies, or a regular full-time employee of the nonlicensed individual performing similar activities.  
7 This exclusion does not apply to the handling of transactional negotiations for transfer of an interest  
8 in real estate.

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

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

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

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

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

27 (r) An individual who is a general partner for a domestic or foreign limited partnership duly  
28 registered and operating within this state under ORS chapter 70 engaging in the sale of limited  
29 partnership interests and the acquisition, sale, exchange, lease, transfer or management of the real  
30 estate of the limited partnership.

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

33 (t) An individual who is a professional forester or farm manager engaging in property manage-  
34 ment activity on forestland or farmland when the activity is incidental to the nonreal estate duties  
35 involving overall management of forest or farm resources.

36 (u) An individual who is a registered investment adviser under the Investment Advisers Act of  
37 1940, 15 U.S.C. §80b-1 et seq., rendering real estate investment services for the office of the State  
38 Treasurer or the Oregon Investment [Council] **Corporation**.

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

42 (w) A nonlicensed individual who gives an opinion in an administrative or judicial proceeding  
43 regarding the value of real estate for taxation or representing a taxpayer under ORS 305.230 or  
44 309.100.

45 (x) A nonlicensed individual acting as a paid fiduciary whose real estate activity is limited to

1 negotiating or closing a transaction to obtain the services of a real estate licensee.

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

4 (z) An individual who is a representative of a financial institution or trust company, as those  
5 terms are defined in ORS 706.008, that is attorney in fact under a duly executed power of attorney  
6 from the owner or purchaser authorizing real estate activity, if the power of attorney is recorded  
7 in the office of the county clerk for the county in which the real estate to be sold, leased or ex-  
8 changed is located.

9 (aa) An individual who is the sole member or a managing member of a domestic or foreign lim-  
10 ited liability company duly registered and operating within this state under ORS chapter 63 and who  
11 is engaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of  
12 the limited liability company.

13 (bb) An individual who is a partner in a partnership as defined in ORS 67.005 and who is en-  
14 gaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of the  
15 partnership.

16 (cc) An individual who is an officer or director of a domestic or foreign corporation duly regis-  
17 tered and operating within this state under ORS chapter 60 and who is engaging in the acquisition,  
18 sale, exchange, lease, transfer or management of the real estate of the corporation.

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

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

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

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

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

33 **Sec. 4.** (1) Consistent with fiduciary standards, including the provisions of ORS [*293.721 and*]  
34 293.726 **and section 4 of this 2013 Act**, the [*State Treasurer*] **board of directors of the Oregon**  
35 **Investment Corporation** shall adopt a statement of policy that describes a process of engagement  
36 with managers who:

37 (a) Are engaged by the [*Oregon Investment Council or the State Treasurer*] **corporation** for the  
38 active management of investment funds consisting of the Public Employees Retirement Fund referred  
39 to in ORS 238.660 through the purchase and sale of publicly traded equities; and

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

41 (2) The policy required under subsection (1) of this section must require the [*State Treasurer*]  
42 **corporation**, to the extent practicable, to identify and send a written notice to the managers de-  
43 scribed in subsection (1) of this section. The notice shall encourage the managers, consistent with  
44 fiduciary standards, including the provisions of ORS [*293.721 and*] 293.726 **and section 4 of this 2013**  
45 **Act**, to:

1 (a) Notify scrutinized companies with which the managers have made investments of the [State  
2 Treasurer's] **corporation's** policy adopted pursuant to subsection (1) of this section; and

3 (b) Not later than 90 days **after** giving the notice, end investments in the scrutinized companies  
4 and avoid future investments in the scrutinized companies, as long as the managers may do so  
5 without monetary loss through reasonable, prudent and productive investments in companies gener-  
6 ating returns that are comparable to the returns generated by the scrutinized companies.

7 (3) A notice given by a manager to a scrutinized company under subsection (2) of this section  
8 shall advise the scrutinized company that the scrutinized company may comment in writing to the  
9 [State Treasurer] **corporation** to dispute the identification of the company as a scrutinized company.

10 (4) If the [State Treasurer] **corporation** determines that a company given notice under sub-  
11 section (3) of this section is not a scrutinized company, the [State Treasurer] **corporation** shall no-  
12 tify the relevant manager of the determination.

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

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

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

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

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

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

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

30 **Sec. 7.** The [State Treasurer] **Oregon Investment Corporation** shall first make available on the  
31 **corporation's or the** State Treasurer's website the information required under section 5, **chapter**  
32 **72, Oregon Laws 2012**, [of this 2012 Act] not later than September 1, 2013.

33 **SECTION 92.** ORS 128.316 is amended to read:

34 128.316. As used in ORS 128.305 to 128.336:

35 (1) "Charitable purpose" means the relief of poverty, the advancement of education or religion,  
36 the promotion of health, the promotion of a governmental purpose or any other purpose the  
37 achievement of which is beneficial to the community.

38 (2) "Endowment fund" means an institutional fund or part of an institutional fund that, under  
39 the terms of a gift instrument, is not wholly expendable by the institution on a current basis.  
40 "Endowment fund" does not include assets that an institution designates as an endowment fund for  
41 the institution's own use.

42 (3) "Gift instrument" means a record or records, including an institutional solicitation, under  
43 which property is granted to, transferred to or held by an institution as an institutional fund.

44 (4) "Institution" means:

45 (a) A person, other than an individual, organized and operated exclusively for charitable pur-

1 poses;

2 (b) A government or governmental subdivision, agency or instrumentality, to the extent that it  
3 holds funds exclusively for a charitable purpose; and

4 (c) A trust that had both charitable and noncharitable interests, after all noncharitable interests  
5 have terminated.

6 (5) "Institutional fund" means a fund held by an institution exclusively for charitable purposes.  
7 "Institutional fund" does not include:

8 (a) Program-related assets;

9 (b) A fund held for an institution by a trustee that is not an institution;

10 (c) A fund in which a beneficiary that is not an institution has an interest, other than an in-  
11 terest that could arise upon violation or failure of the purposes of the fund; or

12 (d) A fund managed by the State Treasurer **or the Oregon Investment Corporation**, moneys  
13 held by the State Treasurer **or the corporation** for investment or moneys managed or held for in-  
14 vestment by or on behalf of the State Treasurer **or the corporation** under ORS chapter 293 or 348.

15 (6) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited  
16 liability company, association, joint venture, public corporation, government or governmental sub-  
17 division, agency or instrumentality, or any other legal or commercial entity.

18 (7) "Program-related asset" means an asset held by an institution primarily to accomplish a  
19 charitable purpose of the institution and not primarily for investment.

20 (8) "Record" means information that is inscribed on a tangible medium or that is stored in an  
21 electronic or other medium and is retrievable in perceivable form.

22 **SECTION 93.** ORS 285A.306 is amended to read:

23 285A.306. (1) There is established in the State Treasury, separate and distinct from the General  
24 Fund, the Title I Bank Fund. All moneys in the fund are continuously appropriated to the Oregon  
25 Business Development Department for the Oregon Infrastructure Finance Authority to provide fi-  
26 nancing for community development projects. Interest earned by the Title I Bank Fund shall be  
27 credited to the fund.

28 (2) Moneys in the Title I Bank Fund[, *with the approval of the State Treasurer,*] may be invested  
29 as provided by ORS 293.701 to 293.820, and the earnings from such investments and other program  
30 income shall be credited to the Title I Bank Fund.

31 (3) The Title I Bank Fund shall consist of:

32 (a) Moneys appropriated to the fund by the Legislative Assembly.

33 (b) Repayment of loans made by cities and counties with grants from the Oregon Community  
34 Development Block Grant Program, including interest earnings.

35 (4) The Oregon Infrastructure Finance Authority shall administer the fund.

36 (5) The department shall adopt rules and policies for the administration of the fund.

37 (6) The authority may charge program administrative costs to the fund to pay for administrative  
38 expenses incurred to the authority for processing applications and investigating community devel-  
39 opment projects.

40 **SECTION 94.** ORS 285A.654 is amended to read:

41 285A.654. (1) There is created within the State Treasury, separate and distinct from the General  
42 Fund, the Port Planning and Marketing Fund. All moneys in the Port Planning and Marketing Fund  
43 are appropriated continuously to the Oregon Business Development Department for the Oregon  
44 Infrastructure Finance Authority and shall be used by the authority for:

45 (a) Administrative expenses of the authority in processing grant applications and investigating

1 proposed planning or marketing projects related to ports.

2 (b) Payment of grants under ORS 285A.654 to 285A.660 to ports formed under ORS 777.010 and  
3 777.050.

4 (c) Direct purchase by the authority of goods or services to assist ports in implementing plan-  
5 ning or marketing projects approved for grant financing under ORS 285A.654 to 285A.660.

6 (2) The Port Planning and Marketing Fund shall consist of:

7 (a) Moneys appropriated to the fund by the Legislative Assembly.

8 (b) Moneys obtained from gifts or grants received under ORS 285A.200.

9 (c) Moneys obtained from interest earned on the investment of such moneys.

10 (3) Moneys in the Port Planning and Marketing Fund[, *with the approval of the State*  
11 *Treasurer,*] may be invested as provided by ORS 293.701 to 293.820, and the earnings from such in-  
12 vestments shall be credited to the Port Planning and Marketing Fund.

13 **SECTION 95.** ORS 285B.119 is amended to read:

14 285B.119. (1) There is established in the State Treasury, separate and distinct from the General  
15 Fund, the Capital Access Fund. All moneys in the fund are continuously appropriated to the Oregon  
16 Business Development Department for the purpose of making payments to loss reserve accounts es-  
17 tablished under ORS 285B.109 to 285B.119.

18 (2) Moneys in the Capital Access Fund[, *with the approval of the State Treasurer,*] may be in-  
19 vested as provided by ORS 293.701 to 293.820, and the earnings from such investment shall be  
20 credited to the Capital Access Fund.

21 (3) The Capital Access Fund shall consist of:

22 (a) Moneys appropriated to the fund by the Legislative Assembly.

23 (b) Interest earned on moneys in the fund.

24 (c) Moneys returned to the fund from loss reserve accounts or other sources.

25 (4) If the department deems retrieval of interest earned on loss reserve accounts appropriate,  
26 the department may transfer into the fund up to 50 percent of the interest earned on moneys in loss  
27 reserve accounts.

28 (5) The department may charge administrative costs to the fund to pay for actual and necessary  
29 administrative expenses incurred by the department in administering the fund and establishing and  
30 maintaining loss reserve accounts under ORS 285B.109 to 285B.119.

31 **SECTION 96.** ORS 286A.025 is amended to read:

32 286A.025. (1) The State Treasurer may, at the request of a related agency:

33 (a) Issue bonds when a law of the State of Oregon authorizes bonds to be issued; and

34 (b) Issue refunding bonds without additional authorization.

35 (2) In consultation with the related agency, the State Treasurer may:

36 (a) Sell bonds at a competitive sale or a negotiated sale or in any other manner determined by  
37 the State Treasurer;

38 (b) Issue bonds the interest of which is exempt from federal income taxation or is not exempt  
39 from federal income taxation;

40 (c) Establish the principal amounts, redemption provisions, optional or mandatory tender pro-  
41 visions, interest rates or methods for determining variable or adjustable interest rates, denomi-  
42 nations and other terms and conditions of the bonds;

43 (d) Establish maturity dates for bonds to provide for short-term, interim or long-term borrowing;

44 (e) Determine the form and content of a bond offering or disclosure document;

45 (f) Structure, market and issue bonds in the manner that the State Treasurer determines is in

1 the best interest of the people of the State of Oregon; and

2 (g) Invest moneys held in connection with or derived from obligations, as defined in ORS  
 3 286A.100, without regard to the fund or account to which the moneys are credited under other  
 4 provisions of law, alone or with other invested moneys. In addition, the State Treasurer may:

5 (A) Establish funds and accounts separate and distinct from the General Fund in order [*to*  
 6 *invest*] **that** the moneys **may be invested** as provided in ORS 293.701 to 293.820 and to arrange for  
 7 redemption or purchase of bonds; and

8 (B) Segregate or pool moneys in order to promote financial and administrative efficiency and  
 9 prudence in the management of moneys derived from obligations, as defined in ORS 286A.100, mon-  
 10 eys available for bond repayment and other moneys, and in the administration of bond programs.

11 (3) Subject to the approval of the State Treasurer, moneys described in subsection (2)(g) of this  
 12 section may be held by a trustee under a trust agreement, indenture, bond declaration or similar  
 13 instrument and may be invested by the trustee at the direction of the related agency for which the  
 14 moneys are held by the trustee. If consistent with the trust agreement, indenture, bond declaration  
 15 or similar instrument, a related agency may authorize a trustee to invest on behalf of the agency  
 16 in the investment funds or with other moneys invested [*by the State Treasurer*] under ORS 293.701  
 17 to 293.820 and may authorize a transfer of the moneys from the State Treasurer to the trustee.

18 (4) In addition to authority conferred by law other than this section, the State Treasurer or,  
 19 with the approval of the State Treasurer, a related agency may:

20 (a) Execute and deliver indentures, trust agreements, auction agent agreements, broker-dealer  
 21 agreements, tender agent agreements, bond declarations or similar instruments and other contracts  
 22 related to the sale, issuance or security of the bonds;

23 (b) Deposit funds with trustees for the benefit of bond owners and the providers of credit en-  
 24 hancement devices; and

25 (c) Enter into covenants for the benefit of bond owners or the providers of credit enhancement  
 26 devices.

27 (5) The covenants authorized by subsection (4)(c) of this section:

28 (a) May include, but are not limited to, covenants regarding the issuance of additional bonds,  
 29 the priority of payment of bonds and, if authorized by law other than this section, the imposition  
 30 and collection of rates, fees or other charges; and

31 (b) Are intended to:

32 (A) Improve the security of bond owners or providers of credit enhancement devices; or

33 (B) Maintain the tax-exempt status of interest payable on bonds.

34 (6) In addition to authority conferred by law other than this section, in consultation with the  
 35 related agency, the State Treasurer may establish a debt service reserve for the purpose of paying  
 36 when due the amounts owing on the bonds for which the debt service reserve is established. The  
 37 debt service reserve may be funded out of the proceeds derived from the issuance and sale of the  
 38 bonds for which the debt service reserve is being established or from other lawfully available funds.

39 (7) In consultation with the related agency, the State Treasurer shall select the underwriters for  
 40 the sale of the bonds requested by the related agency. An agreement with the underwriters may be  
 41 executed by the State Treasurer alone or with the related agency. An agreement with underwriters  
 42 is not subject to the Public Contracting Code.

43 **SECTION 97.** ORS 294.730 is amended to read:

44 294.730. (1) There is created a Local Government Employer Benefit Trust Fund, separate and  
 45 distinct from the General Fund. The [*State Treasurer shall be*] **Oregon Investment Corporation**

1 **is** the custodian of [*such*] **the** fund and the fund shall consist of:

2 (a) All moneys received from political subdivisions under the provisions of ORS 293.701, 294.725  
3 to 294.755 and 657.513;

4 (b) Interest earned upon any moneys in the fund;

5 (c) Moneys transferred from other funds to cover shortages in the fund; and

6 (d) All other moneys received from a political subdivision to be applied against benefit payment  
7 charges for any period the political subdivision has requested the Employment Department to reim-  
8 burse the Unemployment Compensation Trust Fund on its behalf.

9 (2) Moneys in the fund are continuously appropriated to the department and, notwithstanding  
10 ORS 657.505, shall be the sole source of funds for payment to the Unemployment Compensation  
11 Trust Fund for benefits attributable to a political subdivision during its period of participation in  
12 the fund and repayment of advances and the interest thereon due to any shortages in the fund.

13 (3) Interest earned upon any moneys in the fund is continuously appropriated to the department  
14 for the payment of:

15 (a) Administrative expenses of ORS 293.701, 294.725 to 294.755 and 657.513 and expenses in-  
16 curred in the investment of the fund in the amount authorized by ORS 293.718;

17 (b) Erroneous benefit payments determined during the period in which a political subdivision is  
18 a participant in the fund; and

19 (c) Benefits attributed to a political subdivision that has ceased to exist, has no positive account  
20 balance and has no successor.

21 (4) When insufficient interest exists to pay obligations under subsection (3) of this section, such  
22 amounts may be paid from the fund. When the fund again begins earning interest, all obligations  
23 paid pursuant to this subsection shall be repaid to the fund before any allocation is made under  
24 subsection (5) of this section.

25 (5) As soon as possible after the end of each calendar quarter, the [*State Treasurer*] **corporation**  
26 shall review the applicable quarterly interest earnings and payments made therefrom and distribute  
27 any excess interest earnings to the political subdivision accounts that had a positive balance on the  
28 last day of the applicable quarter. Such allocation shall be in a ratio that the political subdivision  
29 positive account balance on the last day of the calendar quarter bears to the total balance of all  
30 political subdivisions with positive account balances on the last day of the calendar quarter. The  
31 amounts distributed for the quarter ending June 30 shall be included in the account reserve ratio  
32 determination for such June 30.

33 (6) The Director of the Employment Department is authorized to requisition from the fund such  
34 amounts determined to be necessary for the payment of benefits attributable to wages of political  
35 subdivisions.

36 (7) Interest accrued each quarter on advances pursuant to subsection (2) of this section shall  
37 be allocated each quarter to those political subdivision accounts with a negative balance on the last  
38 day of such calendar quarter. The allocation shall be in a ratio that the political subdivision nega-  
39 tive account balance on the last day of the calendar quarter bears to the total balance of all poli-  
40 tical subdivisions with negative account balances on the last day of the calendar quarter. The  
41 amounts allocated for the quarter ending June 30 shall be included in the account reserve ratio  
42 determination for such June 30.

43 **SECTION 98.** ORS 351.086, as amended by section 48, chapter 104, Oregon Laws 2012, is  
44 amended to read:

45 351.086. (1) Except as otherwise provided in this chapter and ORS chapter 352, the provisions

1 of ORS chapters 182, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291 and 292 and ORS  
 2 180.060, 180.160, 180.210, 180.220, 180.225 and 180.230 do not apply to the Oregon University System.

3 (2) Notwithstanding subsection (1) of this section, the provisions of ORS 182.100, 182.109,  
 4 240.167, 276.073 to 276.090, 279A.065 (2), 279B.055 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625,  
 5 279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860,  
 6 279C.865, 279C.870, 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 and 292.044 apply to  
 8 the Oregon University System.

9 (3) Notwithstanding subsection (1) of this section, ORS 273.413 to 273.456 apply to any structure,  
 10 equipment or asset owned by the Oregon University System that is encumbered by a certificate of  
 11 participation.

12 (4) Notwithstanding subsection (6) of this section:

13 (a) The provisions of ORS chapters 35, 190, 192, 244 and 297 and ORS 30.260 to 30.460, 184.480,  
 14 184.483, 184.486, 184.488, 200.005 to 200.025, 200.045 to 200.090, 200.100 to 200.120, 200.160 to 200.200,  
 15 236.605 to 236.640, 243.650 to 243.782, 243.800, 243.820, 243.830, 243.850, 243.910 to 243.945, 307.090  
 16 and 307.112 apply to the Oregon University System under the same terms as they apply to other  
 17 public bodies other than the State of Oregon.

18 (b) The provisions of ORS chapter 286A and ORS 293.115, 293.117, 293.130, 293.169, 293.171,  
 19 293.205 to 293.225, 293.250, 293.265 to 293.280, 293.285, 293.295, 293.321, 293.353, 293.375, 293.406,  
 20 293.465 to 293.485, 293.490, 293.495, 293.525, 293.701 to 293.820, 293.875, 293.880 and 293.990 apply to  
 21 the Oregon University System under the same terms as they apply to state agencies with moneys  
 22 held by the State Treasurer **or the Oregon Investment Corporation**, to the Oregon University  
 23 System Fund established in ORS 351.506 and to any other moneys deposited with or held by the  
 24 State Treasurer **or the corporation** for the Oregon University System.

25 (5) Notwithstanding subsections (1) and (6) of this section, the Oregon University System and its  
 26 agents and employees remain subject to all statutes and administrative rules of this state that create  
 27 rights, benefits or protections in favor of military veterans, service members and families of service  
 28 members to the same extent as an agency of this state would be subject to such statutes and ad-  
 29 ministrative rules.

30 (6)(a) Except as provided by paragraph (b) of this subsection, the Oregon University System, as  
 31 a distinct governmental entity, is not subject to any provision of law enacted after January 1, 2011,  
 32 with respect to any governmental entity, that is unique to governmental entities, unless the pro-  
 33 vision specifically provides that it applies to the Oregon University System.

34 (b) To the same extent as state agencies that borrow through the State Treasurer or that have  
 35 moneys held in the State Treasury, the Oregon University System is subject to any provision of law  
 36 enacted after January 1, 2011, that relates to or affects the borrowings of the Oregon University  
 37 System through the State Treasurer or the deposit, payment or investment of moneys held in the  
 38 Oregon University System Fund or any other moneys held for the Oregon University System in the  
 39 State Treasury.

40 (7) In carrying out the duties, functions and powers imposed by law upon the Oregon University  
 41 System, the State Board of Higher Education or the Chancellor of the Oregon University System  
 42 may contract with any public agency for the performance of such duties, functions and powers as  
 43 the board or chancellor considers appropriate.

44 **SECTION 99.** ORS 367.015 is amended to read:

45 367.015. (1) There is established in the State Treasury, separate and distinct from the General

1 Fund, the Oregon Transportation Infrastructure Fund. All moneys in the infrastructure fund are  
 2 continuously appropriated to the Department of Transportation for the purposes of ORS 367.010 to  
 3 367.067.

4 (2) The infrastructure fund consists of:

5 (a) Moneys appropriated to the infrastructure fund by the Legislative Assembly.

6 (b) Moneys transferred to the infrastructure fund by the department from the State Highway  
 7 Fund or from other funds available to the Oregon Transportation Commission.

8 (c) Moneys from any federal grant, state grant or other grant that are deposited in the  
 9 infrastructure fund.

10 (d) Proceeds of infrastructure bonds.

11 (e) Proceeds of Highway User Tax Bonds issued under ORS 367.615 for the purpose of providing  
 12 infrastructure assistance or an infrastructure loan.

13 (f) Moneys due to a municipality that are withheld pursuant to ORS 367.035 (3) or (5) and, for  
 14 a loan made with proceeds of Highway User Tax Bonds, moneys due to a municipality that are  
 15 withheld pursuant to ORS 367.655 (2)(c).

16 (g) Earnings on the infrastructure fund.

17 (h) Moneys paid to the department in connection with infrastructure loans or infrastructure  
 18 assistance.

19 (i) Any grants or donations made to the State of Oregon for deposit in the infrastructure fund.

20 (3) A pledge by the department of its revenues or other moneys in the infrastructure fund is  
 21 valid and binding from the time the pledge is made as provided in ORS 286A.102.

22 (4) The department shall use moneys in the infrastructure fund solely to:

23 (a) Provide infrastructure loans and infrastructure assistance;

24 (b) Pay the bond debt service for infrastructure bonds and pay the costs of issuance and other  
 25 costs related to infrastructure bonds;

26 (c) Pay the department's costs of administering the infrastructure fund and providing  
 27 infrastructure loans and infrastructure assistance, including any costs of monitoring transportation  
 28 projects and obtaining repayment of infrastructure loans and infrastructure assistance;

29 (d) Pay the department's or another public entity's costs for transportation projects including,  
 30 but not limited to, projects funded with the proceeds of Highway User Tax Bonds; and

31 (e) Ensure repayment of loan guarantees or extensions of credit as provided in ORS 367.816.

32 (5) The department may establish separate accounts in the infrastructure fund for infrastructure  
 33 loans, infrastructure assistance, the funding of infrastructure bond reserves, bond debt service pay-  
 34 ments for infrastructure bonds and related costs, administrative and operating expenses or any other  
 35 purpose necessary or desirable for carrying out the purposes of ORS 367.010 to 367.067. The com-  
 36 mission may adopt rules that govern how the infrastructure fund and its accounts are used. The  
 37 infrastructure fund or any of its accounts may be held by an escrow agent or bond trustee.

38 (6) The department shall administer the infrastructure fund. Moneys in the infrastructure  
 39 fund[ *with the approval of the State Treasurer,*] may be invested as provided by ORS 293.701 to  
 40 293.820 and the earnings from such investments must be credited to the account in the  
 41 infrastructure fund designated by the department.

42 **SECTION 100.** ORS 390.135 is amended to read:

43 390.135. (1) Of the moneys deposited into the Parks and Natural Resources Fund created under  
 44 ORS 541.940 from the Oregon State Lottery, 50 percent shall be deposited into a Parks Subaccount.  
 45 The [*State Treasurer*] **Oregon Investment Corporation** may invest and reinvest the moneys in the

1 Parks Subaccount as provided in ORS 293.701 to 293.820. Interest from the moneys deposited in the  
 2 Parks Subaccount and earnings from investment of the moneys in the subaccount shall be credited  
 3 to the subaccount.

4 (2) Moneys deposited from the Oregon State Lottery to the Parks Subaccount may be used only  
 5 for:

6 (a) Maintaining, constructing, improving, developing, managing and operating state parks, ocean  
 7 shores, public beach access areas, historic sites, natural areas and outdoor and recreation areas;

8 (b) Acquiring real property, or interests in real property, that has significant natural, scenic,  
 9 cultural, historic or recreational value for the creation or operation of state parks, ocean shores,  
 10 public beach access areas, outdoor recreation areas and historic sites; and

11 (c) Providing grants to regional or local government entities to acquire property for public  
 12 parks, natural areas or outdoor recreation areas or to develop or improve public parks, natural  
 13 areas or outdoor recreation areas.

14 (3) All moneys in the Parks Subaccount shall be transferred to the State Parks and Recreation  
 15 Department Fund and used to carry out the purposes described in subsection (2) of this section by  
 16 achieving each of the following:

17 (a) Providing additional public parks, natural areas or outdoor recreation areas to meet the  
 18 needs of current and future residents of this state.

19 (b) Protecting natural, cultural, historic and outdoor recreational resources of statewide or re-  
 20 gional significance.

21 (c) Managing public parks, natural areas and outdoor recreation areas to ensure the long-term  
 22 ecological health of those parks and areas and to provide for the enjoyment of those parks and areas  
 23 by current and future residents of this state.

24 (d) Providing diverse and equitable opportunities for residents of this state to experience nature  
 25 and to participate in outdoor recreational activities in state, regional, local or neighborhood public  
 26 parks and recreation areas.

27 **SECTION 101.** ORS 391.800 is amended to read:

28 391.800. (1) There is established in the State Treasury, separate and distinct from the General  
 29 Fund, the Elderly and Disabled Special Transportation Fund. All moneys in the Elderly and Disabled  
 30 Special Transportation Fund are appropriated continuously to the Department of Transportation for  
 31 payment of the department's administrative costs of the program and payment to mass transit dis-  
 32 tricts, transportation districts, Indian tribes and counties as provided in ORS 391.810.

33 (2) The Elderly and Disabled Special Transportation Fund shall consist of:

34 (a) Moneys transferred to the fund under ORS 184.642 and 323.455 (3);

35 (b) Other moneys appropriated to the fund by the Legislative Assembly; and

36 (c) Moneys obtained from interest earned on the investment of moneys in the fund.

37 (3) Moneys in the Elderly and Disabled Special Transportation Fund[, *with the approval of the*  
 38 *State Treasurer,*] may be invested as provided by ORS 293.701 to 293.820, and the earnings from the  
 39 investments shall be credited to the Elderly and Disabled Special Transportation Fund.

40 **SECTION 102.** ORS 426.506 is amended to read:

41 426.506. (1) There is created in the State Treasury, separate and distinct from the General Fund,  
 42 the Community Mental Health Housing Fund. All earnings on investments of moneys in the Com-  
 43 munity Mental Health Housing Fund shall accrue to the fund. Interest earned on moneys in the  
 44 fund shall be credited to the fund. All moneys in the fund are continuously appropriated to the  
 45 Oregon Health Authority to carry out the provisions of ORS 426.504.

1 (2) The Community Mental Health Housing Fund shall be administered by the authority to pro-  
2 vide housing for persons with chronic mental illness. As used in this subsection, "housing" may in-  
3 clude acquisition, maintenance, repair, furnishings and equipment.

4 (3)(a) There is established within the Community Mental Health Housing Fund a Community  
5 Housing Trust Account. [*With approval of the State Treasurer and*] Upon request of the Director of  
6 the Oregon Health Authority, moneys in the account may be invested as provided in ORS 293.701  
7 to 293.820.

8 (b) Notwithstanding the provisions of ORS 270.150, the authority shall deposit into the Commu-  
9 nity Housing Trust Account the proceeds, less costs to the state, received by the authority from the  
10 sale of F. H. Dammasch State Hospital property under ORS 426.508. The authority may expend, for  
11 the purposes set forth in ORS 426.504, any earnings credited to the account, including any interest  
12 earned on moneys deposited in the account, and up to five percent of the sale proceeds initially  
13 credited to the account by the Oregon Department of Administrative Services. At least 95 percent  
14 of the sale proceeds shall remain in the account in perpetuity. Proceeds deposited in the account  
15 may not be commingled with proceeds from the sale of any surplus real property owned, operated  
16 or controlled by the authority and used as a state training center.

17 (c) Interest earned on moneys in the Community Housing Trust Account may be expended in the  
18 following manner:

19 (A) Seventy percent of interest earned on deposits in the account shall be expended for com-  
20 munity housing purposes; and

21 (B) Thirty percent of interest earned on deposits in the account shall be expended for institu-  
22 tional housing purposes.

23 (d) Interest earned on deposits in the Community Housing Trust Account shall not be used to  
24 support operating expenses of the authority.

25 (4) The Community Mental Health Housing Fund shall consist of:

26 (a) Moneys appropriated to the fund by the Legislative Assembly;

27 (b) Sale proceeds and earnings from the account under subsection (3) of this section;

28 (c) Proceeds from the sale, transfer or lease of any surplus real property owned, operated or  
29 controlled by the authority and used as community housing;

30 (d) Moneys reallocated from other areas of the authority's budget;

31 (e) Interest and earnings credited to the fund; and

32 (f) Gifts of money or other property from any source, to be used for the purposes of developing  
33 housing for persons with chronic mental illness.

34 (5) The authority shall adopt policies:

35 (a) To establish priorities for the use of moneys in the Community Mental Health Housing Fund  
36 for the sole purpose of developing housing for persons with chronic mental illness;

37 (b) To match public and private moneys available from other sources for developing housing for  
38 persons with chronic mental illness; and

39 (c) To administer the fund in a manner that will not exceed the State Treasury's maximum cost  
40 per transaction.

41 (6) The authority shall collaborate with the Housing and Community Services Department to  
42 ensure the highest return and best value for community housing from the Community Mental Health  
43 Housing Fund.

44 (7) The authority shall provide a report of revenues to and expenditures from the Community  
45 Mental Health Housing Fund as part of its budget submission to the Governor and Legislative As-

1 assembly under ORS chapter 291.

2 **SECTION 103.** ORS 456.535 is amended to read:

3 456.535. The money realized from the sale of each issue of bonds shall be credited to a special  
 4 fund in the State Treasury, separate and distinct from the General Fund, to be designated the El-  
 5 derly and Disabled Housing Fund. Moneys in the Elderly and Disabled Housing Fund are contin-  
 6 uously appropriated to the Housing and Community Services Department for the purpose of carrying  
 7 out the provisions of ORS 456.515 to 456.725. Moneys in the fund may not be used for any other  
 8 purpose, except that the moneys[, *with the approval of the State Treasurer,*] may be invested as pro-  
 9 vided by ORS 293.701 to 293.820 and the earnings from the investments shall be deposited into the  
 10 Elderly and Disabled Housing Sinking Fund maintained under ORS 456.543.

11 **SECTION 104.** ORS 456.543 is amended to read:

12 456.543. (1) The Housing and Community Services Department shall maintain, with the State  
 13 Treasurer, an Elderly and Disabled Housing Sinking Fund, separate and distinct from the General  
 14 Fund. The Elderly and Disabled Housing Sinking Fund shall provide for the payment of the princi-  
 15 pal and interest upon bonds issued under authority of Article XI-I(2), Oregon Constitution, and ORS  
 16 456.515 to 456.725. Moneys in the sinking fund are continuously appropriated to the department for  
 17 such purpose. Moneys in the Elderly and Disabled Housing Sinking Fund may be invested [*by the*  
 18 *State Treasurer*] as provided by ORS 286A.025 and 293.701 to 293.820 or, with the approval of the  
 19 State Treasurer, by the Director of the Housing and Community Services Department through a  
 20 trustee. Investment earnings shall be credited to the Elderly and Disabled Housing Sinking Fund.

21 (2) The Elderly and Disabled Housing Sinking Fund shall consist of:

22 (a) All moneys received from contract or loan proceeds;

23 (b) Bond reserves;

24 (c) Other funds available for these purposes; and

25 (d) If necessary, state ad valorem taxes provided by Article XI-I(2), Oregon Constitution, and by  
 26 ORS 456.515 to 456.725.

27 (3) The Elderly and Disabled Housing Sinking Fund shall not be used for any purpose other than  
 28 that for which the fund was created provided, however, that amounts on deposit in the fund may  
 29 be applied to the payment of operating and administrative expenses of the department, including  
 30 bond issuance, administration and repayment costs, allocable to its elderly and disabled housing  
 31 program under ORS 456.515 to 456.725, and for transfers under subsections (4) and (5) of this section.  
 32 Should a balance remain therein after the purposes for which the fund was created have been ful-  
 33 filled or after a reserve sufficient to meet all existing obligations and liabilities of the fund has been  
 34 set aside, the surplus remaining may be transferred to the Elderly and Disabled Housing Fund at  
 35 the direction of the department.

36 (4) The Director of the Housing and Community Services Department may transfer moneys from  
 37 the Elderly and Disabled Housing Sinking Fund, with the approval of the State Treasurer, for the  
 38 purpose of financing multifamily housing for the elderly and persons with disabilities. The State  
 39 Treasurer shall approve such request if:

40 (a) The cash flow projection under ORS 286A.010 associated with the bonds shows that, for the  
 41 term of the bonds outstanding at the time the director transfers the moneys, remaining moneys in  
 42 the sinking fund, together with expected loan proceeds and fund earnings, will continue to be ade-  
 43 quate to pay bond principal, interest and administrative costs; and

44 (b) The transfer will not create the need for issuance of any bonds.

45 (5) The director shall deposit loan prepayments in the Elderly and Disabled Housing Fund, and

1 lend such prepayments for the purpose of financing multifamily housing for the elderly and persons  
2 with disabilities for a term not exceeding the term of the bonds associated with the loan that was  
3 prepaid, if the director determines that such a deposit and loan will not adversely affect the ability  
4 of the department to pay outstanding bonds.

5 **SECTION 105.** ORS 468.215 is amended to read:

6 468.215. The money realized from the sale of each issue of bonds under ORS 468.195 shall be  
7 credited to a special fund in the State Treasury, separate and distinct from the General Fund, to  
8 be designated the Pollution Control Fund. Moneys in the Pollution Control Fund are continuously  
9 appropriated to the Department of Environmental Quality for the purpose of carrying out the pro-  
10 visions of ORS 468.195 to 468.260. Moneys in the fund may not be used for any other purpose, except  
11 that these moneys[, *with the approval of the State Treasurer,*] may be invested as provided by ORS  
12 293.701 to 293.820, and the earnings from such investments shall be credited to the Pollution Control  
13 Sinking Fund maintained under ORS 468.230.

14 **SECTION 106.** ORS 468A.490 is amended to read:

15 468A.490. (1) There is established within the State Treasury a fund known as the Residential  
16 Solid Fuel Heating Air Quality Improvement Fund, separate and distinct from the General Fund.

17 (2) All moneys appropriated or received as gifts or grants for the purposes of this section shall  
18 be credited to the Residential Solid Fuel Heating Air Quality Improvement Fund.

19 (3) [*The State Treasurer may invest and reinvest the*] Moneys in the fund **may be invested and**  
20 **reinvested** as provided in ORS 293.701 to 293.820. Interest from the moneys deposited in the fund  
21 and earnings from investment of the moneys in the fund shall accrue to the fund.

22 (4) All moneys in the fund are continuously appropriated to the Department of Environmental  
23 Quality to:

24 (a) Pay all costs incurred by the department for evaluating projects and programs, including  
25 projects and programs proposed by local communities or qualifying organizations, for project man-  
26 agement and oversight of funds awarded for projects and programs selected in accordance with this  
27 section and for documenting the benefit to air quality from such projects;

28 (b) Fund the program established under subsection (5) of this section;

29 (c) Fund activities to enhance enforcement of ORS 468A.460 to 468A.515;

30 (d) Fund public education programs related to compliance with ORS 468A.460 to 468A.515; and

31 (e) Fund public education programs related to the benefits of the use of solid fuel burning de-  
32 vices certified pursuant to ORS 468A.460 to 468A.515.

33 (5) The department shall use moneys available under subsection (4) of this section to establish  
34 a program designed to reduce the emission of air contaminants by providing grants, loans or other  
35 subsidies for the replacement or removal of solid fuel burning devices that were not certified by the  
36 department pursuant to ORS 468A.465. In addition to any other requirements established by rules  
37 adopted by the Environmental Quality Commission, the program shall provide that:

38 (a) All forms of new high-efficiency, low air contaminant-emitting heating systems are allowed,  
39 except vent-free heating appliances;

40 (b) Any solid fuel burning device removed under the program must be destroyed;

41 (c) Any replacement device selected under the program must be installed in conformance with  
42 building code requirements and the manufacturer's specifications including but not limited to vent-  
43 ing specifications; and

44 (d) To be eligible, program participants shall participate in any home energy audit program  
45 provided at no charge to the homeowner and shall obtain all information available regarding subsi-

1 dies for cost-effective weatherization. The department shall make the information required in this  
2 subsection readily available to program participants.

3 (6) The department may enter into an agreement with a local government or a regional author-  
4 ity in order to implement the program established under subsection (5) of this section.

5 **SECTION 107.** ORS 516.070 is amended to read:

6 516.070. (1) There is established in the General Fund of the State Treasury an account to be  
7 known as the Geology and Mineral Industries Account. All moneys received by the State Depart-  
8 ment of Geology and Mineral Industries shall be paid over to the State Treasurer and by the State  
9 Treasurer deposited in the General Fund to the credit of the account. All moneys within the account  
10 are continuously appropriated for the use of the department in carrying out its lawful functions.

11 (2) The Federal Locatable Mineral Royalties Subaccount is established within the Geology and  
12 Mineral Industries Account. Notwithstanding subsection (1) of this section, all moneys received  
13 from the federal government by the State of Oregon as the state's distributive share of the amounts  
14 collected for royalties for locatable minerals shall be credited to the subaccount. All moneys in the  
15 Federal Locatable Mineral Royalties Subaccount are continuously appropriated to the State De-  
16 partment of Geology and Mineral Industries to conduct investigations of new mineral resources and  
17 to carry out the provisions of ORS 517.840 (1)(f).

18 (3) [*The State Treasurer may invest and reinvest*] The moneys in the Federal Locatable Mineral  
19 Royalties Subaccount **may be invested and reinvested** as provided in ORS 293.701 to 293.820. In-  
20 terest from the moneys deposited in the subaccount and earnings from investment of the moneys in  
21 the subaccount shall be credited to the subaccount.

22 (4) The Mined Land Regulation and Reclamation Program Subaccount is established within the  
23 Geology and Mineral Industries Account. Notwithstanding subsection (1) of this section, all moneys  
24 received by the State Department of Geology and Mineral Industries from fees assessed pursuant to  
25 ORS 517.800 shall be credited to the subaccount. All moneys in the subaccount are continuously  
26 appropriated to the department for the purpose of administering ORS 517.702 to 517.951.

27 **SECTION 108.** ORS 541.942 is amended to read:

28 541.942. (1) Of the moneys deposited into the Parks and Natural Resources Fund created under  
29 ORS 541.940 from the Oregon State Lottery, 50 percent shall be deposited into a Natural Resources  
30 Subaccount for the public purpose of financing the restoration and protection of native fish and  
31 wildlife, watersheds and water quality in Oregon. [*The State Treasurer may invest and reinvest*] The  
32 moneys in the Natural Resources Subaccount **may be invested and reinvested** as provided in ORS  
33 293.701 to 293.820.

34 (2) Moneys in the Natural Resources Subaccount shall be used to accomplish each of the fol-  
35 lowing:

36 (a) Protecting and improving water quality in the rivers, lakes and streams of this state by re-  
37 storing natural watershed functions or stream flows;

38 (b) Securing long-term protection for lands and waters that provide significant habitats for na-  
39 tive fish and wildlife;

40 (c) Restoring and maintaining habitat needed to sustain healthy and resilient populations of  
41 native fish and wildlife;

42 (d) Maintaining the diversity of plants, animals and ecosystems in this state;

43 (e) Involving people in voluntary actions to protect, restore and maintain the ecological health  
44 of lands and waters in this state; and

45 (f) Remedying the conditions that limit the health of fish and wildlife, fish and wildlife habitats

1 and watershed functions that are in the greatest need of conservation.

2 (3) Except as provided in subsections (4) and (5) of this section, of the moneys deposited into the  
3 Natural Resources Subaccount from the Oregon State Lottery:

4 (a) Sixty-five percent of the moneys shall be deposited into the Watershed Conservation Grant  
5 Fund established under ORS 541.947 to be used by the Oregon Watershed Enhancement Board for  
6 the purposes set forth in ORS 541.956; and

7 (b) Thirty-five percent of the moneys shall be deposited into the Watershed Conservation Oper-  
8 ating Fund established under ORS 541.945.

9 (4) If the amount transferred from the Oregon State Lottery to the Parks and Natural Resources  
10 Fund during a biennium is more than 150 percent of the amount that was transferred during the  
11 2009-2011 biennium, except as provided in subsection (5) of this section, the State Treasurer shall,  
12 during the next following biennium, deposit from the Natural Resources Subaccount to the  
13 Watershed Conservation Grant Fund the amount described in subsection (3)(a) of this section plus  
14 an amount equal to the difference between the amount deposited from the subaccount to the  
15 Watershed Conservation Grant Fund during the preceding biennium and 70 percent of the moneys  
16 received by the subaccount from the Oregon State Lottery during the preceding biennium.

17 (5) The requirements in subsections (3) and (4) of this section apply only for biennia in which  
18 the Legislative Assembly does not require a greater percentage of the Natural Resources Subac-  
19 count moneys to be deposited into the Watershed Conservation Grant Fund. The Legislative As-  
20 sembly may not authorize the percentage of Natural Resources Subaccount moneys deposited into  
21 the Watershed Conservation Grant Fund in a biennium to be less than the percentage required to  
22 be deposited under subsections (3) and (4) of this section.

23 **SECTION 109.** ORS 561.144 is amended to read:

24 561.144. (1) The State Treasurer shall establish a Department of Agriculture Service Fund, which  
25 shall be a trust fund separate and distinct from the General Fund. The State Department of Agri-  
26 culture shall deposit all license and service fees paid to it under the provisions of the statutes  
27 identified in subsection (3) of this section in the Department of Agriculture Service Fund. The State  
28 Treasurer is the custodian of this trust fund, which shall be deposited by the treasurer in such de-  
29 positories as are authorized to receive deposits of the General Fund, and which may be invested  
30 [by the treasurer] in the same manner as authorized by ORS 293.701 to 293.820.

31 (2) Interest received on deposits credited to the Department of Agriculture Service Fund shall  
32 accrue to and become a part of the Department of Agriculture Service Fund.

33 (3) The license and service fees subject to this section are those described in ORS 561.400,  
34 561.740, 570.710, 571.057, 571.063, 571.145, 571.305, 583.004, 583.046, 583.445, 583.510, 583.610, 585.050,  
35 586.270, 586.580, 586.650, 596.030, 596.100, 596.311, 599.235, 599.269, 599.406, 599.610, 601.040, 602.090,  
36 603.025, 603.075, 616.706, 618.115, 618.136, 619.031, 621.072, 621.166, 621.266, 621.297, 621.335, 621.730,  
37 622.080, 625.180, 628.240, 632.211, 632.425, 632.600, 632.720, 632.730, 632.741, 632.940, 632.945, 633.015,  
38 633.029, 633.318, 633.362, 633.461, 633.471, 633.680, 633.700, 633.720, 634.016, 634.116, 634.122, 634.126,  
39 634.132, 634.136, 634.212 and 635.030.

40 **SECTION 110.** ORS 757.738 is amended to read:

41 757.738. (1)(a) The Public Utility Commission shall establish a separate trust account for  
42 amounts generated by each of the two surcharges imposed under ORS 757.736. The commission shall  
43 establish the trust accounts as interest-bearing accounts:

44 (A) With an agency of the United States identified in the final agreement;

45 (B) In a depository that is qualified under ORS 295.001 to 295.108 to receive public funds; or

1 (C) With the [*State Treasurer*] **Oregon Investment Corporation**, to be invested as provided in  
2 ORS 293.701 to 293.820.

3 (b) The commission may establish each of the two trust accounts with a different trustee among  
4 those listed in paragraph (a) of this subsection.

5 (c) The commission may authorize transfer of funds from one trust account to another as nec-  
6 essary to fund removal of the Klamath River dams.

7 (2) If an agreement is entered into under ORS 757.742 (2), the parties to the agreement may  
8 agree that a portion of the amounts collected under one surcharge may be deposited in the trust  
9 account established for amounts collected under the other surcharge.

10 (3) Upon request of an agency of the United States, or upon request of the designee of an agency  
11 of the United States, the commission shall require the trustee of the appropriate trust account es-  
12 tablished under this section to transfer to the agency or designee the amounts that are necessary  
13 to pay the costs of removing the Klamath River dams as described in ORS 757.736 (11).

14 (4) If any amounts remain in a trust account established under this section after the trustee  
15 makes all payments necessary for the costs of removing the Klamath River dams as described in  
16 ORS 757.736 (11), the commission shall direct the trustee of the account to refund those amounts to  
17 customers or to otherwise use the excess amounts for the benefit of customers.

18 **SECTION 111. (1) The Oregon Investment Corporation is a continuation of the Oregon**  
19 **Investment Council, and the State Treasurer as investment officer for the council, with re-**  
20 **spect to the council's duties, liabilities, functions and powers, and is not a new authority.**

21 **(2) The Oregon Investment Corporation is a continuation of the Oregon Investment**  
22 **Council, and the State Treasurer as investment officer for the council, for the purpose of**  
23 **succession to all rights and obligations of the council and State Treasurer as investment**  
24 **officer for the council.**

25 **(3) The four voting members of the Oregon Investment Council appointed by the Gover-**  
26 **nor under ORS 293.706 shall continue as voting members of the board of directors of the**  
27 **Oregon Investment Corporation until the expiration of their terms. A member is eligible for**  
28 **reappointment.**

29 **(4) On the operative date of section 9 of this 2013 Act, moneys in the Miscellaneous Re-**  
30 **ceipts Account established under ORS 293.718 that have been deducted as payment for ex-**  
31 **penses of the State Treasurer under ORS 293.718 and deposited in the account shall be**  
32 **transferred to the Oregon Investment Corporation Fund established under section 9 of this**  
33 **2013 Act.**

34 **(5) The transfer of duties, functions and powers to the Oregon Investment Corporation**  
35 **by this 2013 Act does not affect any action, proceeding or prosecution involving or with re-**  
36 **spect to such duties, functions and powers begun before and pending at the time of the**  
37 **transfer, except that the Oregon Investment Corporation is substituted for the Oregon In-**  
38 **vestment Council in the action, proceeding or prosecution.**

39 **(6) Nothing in sections 1 to 9 of this 2013 Act, the amendments to statutes and session**  
40 **laws by sections 10 to 110 of this 2013 Act or the repeal of statutes by section 113 of this 2013**  
41 **Act relieves a person of a liability, duty or obligation accruing under or with respect to the**  
42 **duties, functions and powers transferred to the Oregon Investment Corporation by this 2013**  
43 **Act. The corporation may undertake the collection or enforcement of any such liability, duty**  
44 **or obligation.**

45 **(7) Notwithstanding the transfer of duties, functions and powers to the Oregon Invest-**

1 ment Corporation by this 2013 Act, the rules of the Oregon Investment Council, or the State  
 2 Treasurer as investment officer for the council, in effect on the operative date specified in  
 3 section 114 of this 2013 Act continue in effect until superseded or repealed by rules of the  
 4 corporation. References, in rules of the council or the State Treasurer, to the Oregon In-  
 5 vestment Council, an officer or employee of the council or the State Treasurer as investment  
 6 officer for the council are considered to be references to the corporation or an officer or  
 7 employee of the corporation.

8 (8) The rights and obligations of the Oregon Investment Council legally incurred under  
 9 contracts, leases and business transactions executed, entered into or begun before the op-  
 10 erative date specified in section 114 of this 2013 Act are transferred to the Oregon Invest-  
 11 ment Corporation. For the purpose of succession to these rights and obligations, the  
 12 corporation is a continuation of the council and not a new authority.

13 **SECTION 112.** (1) Any reference in Oregon statutory law or rules adopted by the State  
 14 Treasurer or the Oregon Investment Council to the “Oregon Investment Council” shall be  
 15 considered a reference to the “Oregon Investment Corporation.”

16 (2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel  
 17 may substitute for words designating the “Oregon Investment Council,” wherever they occur  
 18 in statutory law, other words designating the “Oregon Investment Corporation.”

19 **SECTION 113.** ORS 293.706, 293.713, 293.716, 293.721, 293.731, 293.736, 293.741, 293.756,  
 20 293.761, 293.766, 293.780, 293.822 and 293.824 are repealed.

21 **SECTION 114.** (1) Sections 1 to 9, 111 and 112 of this 2013 Act, the amendments to stat-  
 22 utes and session laws by sections 10 to 110 of this 2013 Act and the repeal of statutes by  
 23 section 113 of this 2013 Act become operative January 1, 2014.

24 (2) The State Treasurer and the Oregon Investment Council may take any action prior  
 25 to the operative date specified in subsection (1) of this section that is necessary to allow the  
 26 treasurer and the Oregon Investment Corporation to carry out sections 1 to 9, 111 and 112  
 27 of this 2013 Act, the amendments to statutes and session laws by sections 10 to 110 of this  
 28 2013 Act and the repeal of statutes by section 113 of this 2013 Act on and after the operative  
 29 date specified in subsection (1) of this section.

30 (3)(a) The board of directors of the Oregon Investment Corporation may appoint the  
 31 executive director of the corporation before the operative date specified in subsection (1) of  
 32 this section.

33 (b) The executive director of the corporation may take any action before the operative  
 34 date specified in subsection (1) of this section that is necessary to enable the executive di-  
 35 rector to exercise, on and after the operative date specified in subsection (1) of this section,  
 36 the duties, functions and powers of the executive director pursuant to section 6 of this 2013  
 37 Act.

38 (c) For purposes of this subsection, the board of directors of the corporation includes the  
 39 four voting members specified in section 111 (3) of this 2013 Act.

40 **SECTION 115.** The section captions used in this 2013 Act are provided only for the con-  
 41 venience of the reader and do not become part of the statutory law of this state or express  
 42 any legislative intent in the enactment of this 2013 Act.

43 **SECTION 116.** This 2013 Act being necessary for the immediate preservation of the public  
 44 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect  
 45 on its passage.

