

A-Engrossed Senate Bill 5506

Ordered by the Senate July 8
Including Senate Amendments dated July 8

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

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.

Establishes amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium.

Establishes amounts allocated for private activity bonds.

Establishes specified other limits and conditions for issuance of certain bonds.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

Relating to state financial administration; and declaring an emergency.

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

SECTION 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds of this state during the 2013-2015 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

(1) Oregon University System

(Art. XI-G):

(a) Oregon State University:

(A) Strand Agricultural Hall

deferred maintenance \$ 6,586,000

(B) Biofuels Demonstration

Project \$ 4,000,000

(C) Classroom Building and Quad \$ 32,500,000

(D) Cascades Campus Expansion \$ 4,000,000

(E) Chemistry, Biology and

Environmental Engineering

Building..... \$ 20,000,000

(b) Portland State University:

(A) School of Business \$ 10,000,000

(B) Stott Center renovations

and deferred maintenance \$ 20,000,000

(c) University of Oregon:

(A) Straub and Earl Halls

Note: For budget, see 2013-2015 Biennial Budget

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	classroom expansion	\$	11,000,000
2	(B) Science Commons and		
3	Research Library	\$	8,375,000
4	(d) Western Oregon University		
5	New College of Education		
6	Facility	\$	1,400,000
7	(2) Department of Community		
8	Colleges and Workforce		
9	Development (Art. XI-G)	\$	125,081,600
10	(3) Department of Environmental		
11	Quality (Art. XI-H)	\$	10,000,000
12	(4) Oregon Business Development		
13	Department (Art. XI-M)	\$	15,000,000
14	(5) Oregon Business Development		
15	Department (Art. XI-N)	\$	15,000,000
16	(6) Oregon Department of		
17	Administrative		
18	Services (Art. XI-Q)	\$	426,052,000
19	<u>Dedicated Fund Obligations</u>		
20	(7) Department of Transportation		
21	(Art. XI, section 7)	\$	453,725,000
22	(8) Department of Veterans'		
23	Affairs (Art. XI-A)	\$	60,000,000
24	(9) Oregon University System		
25	(Art. XI-F(1)):		
26	(a) Systemwide:		
27	(A) Capital renewal, code		
28	compliance and safety	\$	3,300,000
29	(B) Commercial paper	\$	15,000,000
30	(C) Student building fee		
31	projects	\$	20,000,000
32	(b) Oregon Institute of		
33	Technology In Focus		
34	Building acquisition	\$	10,000,000
35	(c) Oregon State University:		
36	(A) Student Experience Center... \$	42,700,000	
37	(B) New student residence hall... \$	19,000,000	
38	(C) Memorial Union East		
39	Wing renovation	\$	9,177,500
40	(D) Cascades campus expansion.. \$	4,000,000	
41	(E) Housing and dining		
42	facility upgrades	\$	9,500,000
43	(d) Portland State University:		
44	(A) Stott Center renovations		
45	and deferred maintenance \$	2,000,000	

1	(B) Land acquisition.....	\$	10,000,000
2	(e) Southern Oregon University:		
3	(A) Cascade Hall replacement.....	\$	7,000,000
4	(B) Student Recreation and		
5	Fitness Center	\$	20,000,000
6	(f) University of Oregon:		
7	(A) Erb Memorial Union	\$	84,300,000
8	(B) Student Recreation		
9	Center expansion and		
10	renovation.....	\$	50,250,000
11	(C) Housing expansion	\$	84,750,000
12	(10) Water Resources Department		
13	(Art. XI-I(1))	\$	10,235,000
14	(11) Housing and Community		
15	Services Department		
16	(Art. XI-I(2))	\$	25,000,000
17	(12) State Department		
18	of Energy (Art. XI-J).....	\$	60,000,000
19	<u>Total General Obligation</u>		
20	<u>Bonds</u>	\$	1,708,932,100

21 “SECTION 2. The amounts authorized, as provided by ORS 286A.035, for issuance of re-
 22 venue bonds of this state during the 2013-2015 biennium are as follows:

23 **REVENUE BONDS**

24 **Direct Revenue Bonds**

25	Housing and Community		
26	Services Department.....	\$	150,000,000
27	Department of Transportation,		
28	Oregon Transportation		
29	Infrastructure Fund.....	\$	20,400,000
30	Highway User Tax Bonds.....	\$	846,690,000
31	Toll-backed Revenue Bonds ..	\$	663,000,000
32	Oregon Business Development		
33	Department	\$	35,000,000
34	Oregon Department of		
35	Administrative Services		
36	lottery revenue bonds.....	\$	157,557,715
37	State Department of Energy	\$	20,000,000
38	Oregon University System....	\$	50,000,000
39	<u>Total Direct Revenue</u>		
40	<u>Bonds</u>	\$	1,942,647,715

41 **Pass-Through Revenue Bonds**

42	Oregon Business Development		
43	Department industrial		
44	development bonds.....	\$	65,000,000
45	Oregon Facilities Authority..	\$	450,000,000

1	Housing and Community	
2	Services Department.....	\$ 150,000,000
3	<u>Total Pass-Through Revenue</u>	
4	Bonds	\$ 665,000,000
5	<u>Total Revenue Bonds</u>	\$ 2,607,647,715

6 **SECTION 3.** The amount authorized, as provided by ORS 286A.035, for issuance of cer-
 7 tificates of participation and other financing agreements of this state during the 2013-2015
 8 biennium for the Oregon Department of Administrative Services is \$40,000,000.

9 **SECTION 4.** The amounts allocated for private activity bonds, as provided in ORS
 10 286A.615, are as follows:

11 (1) For calendar year 2014,
 12 the amount of \$370,438,535
 13 is allocated as follows:

- 14 (a) Oregon Business
 - 15 Development Department \$ 40,000,000
- 16 (b) Housing and Community
 - 17 Services Department..... \$ 125,000,000
- 18 (c) State Department of Energy \$ 10,000,000
- 19 (d) Private Activity Bond
 - 20 Committee..... \$ 195,438,535

21 (2) For calendar year 2015,
 22 the amount of \$370,438,535
 23 is allocated as follows:

- 24 (a) Oregon Business
 - 25 Development Department \$ 40,000,000
- 26 (b) Housing and Community
 - 27 Services Department..... \$ 125,000,000
- 28 (c) State Department of Energy \$ 10,000,000
- 29 (d) Private Activity Bond
 - 30 Committee..... \$ 195,438,535

31 (3) If an increase in the state's population, a
 32 sufficient increase in the region's Consumer
 33 Price Index or a change in federal law allows
 34 the private activity bond limit as set by the
 35 Internal Revenue Code of 1986, as amended, to
 36 exceed \$370,438,535 during the 2014 calendar
 37 year or \$370,438,535 during the 2015 calendar
 38 year, the increase is allocated to the Private
 39 Activity Bond Committee.

40 **SECTION 5.** (1) For purposes of Article XI-F(1), section 1, of the Oregon Constitution,
 41 the Legislative Assembly determines that the projects authorized to be financed pursuant to
 42 section 1 (9) of this 2013 Act with bonds issued under Article XI-F(1) of the Oregon Consti-
 43 tution, will benefit higher education institutions or activities.

44 (2) For purposes of Article XI-G, section 1, of the Oregon Constitution, the Legislative
 45 Assembly determines that the projects authorized to be financed pursuant to section 1 (1)

1 and (2) of this 2013 Act with bonds issued under Article XI-G of the Oregon Constitution,
2 will benefit higher education institutions or activities or community colleges authorized by
3 law to receive state aid.

4 **SECTION 6.** Bonds authorized under section 1 (1) and (2) of this 2013 Act may not be is-
5 sued until the constructing authority certifies to the State Treasurer that the constructing
6 authority has matching funds available for the same or similar purposes as the Article XI-G
7 bonds that will fund the grant or loan to the constructing authority, that the match funds
8 are not proceeds of indebtedness incurred by the state under any article of the Oregon
9 Constitution, and that the match funds are available to the constructing authority in an
10 amount at least equal to the amount of Article XI-G bond proceeds that the constructing
11 authority will receive.

12 **SECTION 7.** (1) The Department of Transportation may not request and the State
13 Treasurer may not issue any bonds for the Interstate 5 Bridge Replacement Project until the
14 conditions set forth in section 3 (4), chapter 4, Oregon Laws 2013 (Enrolled House Bill 2800),
15 have been satisfied.

16 (2) In lieu of the general obligation bonds authorized for the Department of Transporta-
17 tion under section 1 (7) of this 2013 Act, the State Treasurer may issue up to \$453,725,000 of
18 revenue bonds as provided in chapter 4, Oregon Laws 2013 (Enrolled House Bill 2800). The
19 amount of bonds authorized under section 1 (7) of this 2013 Act for the Department of
20 Transportation shall be reduced, and the amount of bonds authorized under section 2 of this
21 2013 Act for the Department of Transportation shall be increased, by the amount of any re-
22 venue bonds issued in lieu of the general obligation bonds authorized under section 1 (7) of
23 this 2013 Act.

24 **SECTION 8.** (1) Out of the amount specified in section 1 (6) of this 2013 Act, the State
25 Treasurer may issue Article XI-Q bonds in an amount not to exceed \$15 million of net pro-
26 ceeds for the purposes specified in subsection (3) of this section, plus an amount estimated
27 by the State Treasurer to pay estimated bond-related costs.

28 (2)(a) Bonds may not be issued pursuant to this section unless:

29 (A) The Chief Justice of the Supreme Court has determined that:

30 (i) The courthouse with respect to which the bonds will be issued has significant struc-
31 tural defects, including seismic defects, that present actual or potential threats to human
32 health and safety;

33 (ii) Replacing the courthouse, whether by acquiring and remodeling or repairing an ex-
34 isting building or by constructing a new building, is more cost-effective than remodeling or
35 repairing the courthouse; and

36 (iii) Replacing the courthouse creates an opportunity for colocation of the court with
37 other public offices; and

38 (B) The Oregon Department of Administrative Services has approved the project for
39 which the bonds will be issued.

40 (b) The Oregon Department of Administrative Services, after consultation with the Ju-
41 dicial Department, shall determine when net proceeds are needed for the purposes described
42 in subsection (3) of this section and shall consult with the Judicial Department regarding the
43 sale of bonds to be issued pursuant to this section.

44 (3) The State Treasurer shall deposit the net proceeds of bonds issued pursuant to this
45 section in the Oregon Courthouse Capital Construction and Improvement Fund. The net

1 proceeds and any interest earnings may be used solely to finance costs related to acquiring,
2 constructing, remodeling, repairing, equipping or furnishing courthouses or portions of
3 courthouses that are owned or operated by the State of Oregon.

4 (4) As used in ORS 286A.816 to 286A.826 with respect to this section:

5 (a) "Project agency" means the Judicial Department.

6 (b) "Project fund" means the Oregon Courthouse Capital Construction and Improvement
7 Fund.

8 **SECTION 9.** (1)(a) Notwithstanding ORS 1.185, a county and the state, acting by and
9 through the Oregon Department of Administrative Services on behalf of the Judicial De-
10 partment, may enter into a lease agreement or an intergovernmental agreement with respect
11 to a courthouse or portions of a courthouse that the county is required to provide under ORS
12 1.185, pursuant to which the state agrees to provide the property and services described in
13 ORS 1.185 (1)(a).

14 (b)(A) An agreement entered into pursuant to this subsection may include a requirement
15 that the county transfer to the Oregon Courthouse Capital Construction and Improvement
16 Fund an amount not less than 50 percent of the total estimated costs of a project funded
17 with bonds issued pursuant to section 8 of this 2013 Act with respect to the courthouse or
18 portions of a courthouse that are the subject of the agreement. The amount transferred by
19 a county pursuant to this paragraph may comprise property tax revenues, bond proceeds or
20 any other county moneys singly or in any combination and proportion.

21 (B) The amount required to be transferred by the county under this subsection may not
22 be less than 75 percent of the total estimated costs unless the project includes colocation of
23 state facilities in the courthouse.

24 (2) For purposes of section 8 of this 2013 Act, the state shall be considered to operate a
25 courthouse or portions of a courthouse that are the subject of an agreement entered into
26 pursuant to subsection (1) of this section if, as applicable:

27 (a) The lease agreement conveys to the state a full leasehold interest, including exclusive
28 rights to control and use the courthouse or portions of the courthouse that are typical of a
29 long-term lease, for a term that is at least equal to the term during which the bonds issued
30 pursuant to section 8 of this 2013 Act will remain outstanding.

31 (b) The intergovernmental agreement grants the state the exclusive right to control and
32 use the courthouse or portions of the courthouse for a term that is at least equal to the
33 term during which the bonds issued pursuant to section 8 of this 2013 Act will remain out-
34 standing.

35 **SECTION 10.** Notwithstanding any provision of law:

36 (1) General obligation bonds authorized to be issued under Article XI-G of the Oregon
37 Constitution prior to January 1, 2013, for community college projects must be issued not
38 later than June 30, 2015. Project approvals for general obligation bonds authorized to be is-
39 sued under Article XI-G of the Oregon Constitution prior to January 1, 2013, for community
40 college projects, expire on June 30, 2015.

41 (2) A community college may not have more than one project approved for funding with
42 general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitu-
43 tion that is awaiting matching funds, other than projects approved prior to January 1, 2013.

44 (3) A community college for which a project to be funded with general obligation bonds
45 authorized to be issued under Article XI-G of the Oregon Constitution is approved in this

1 2013 Act may not request approval of an additional project to be funded with general obli-
2 gation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the
3 beginning of the regular session of the Legislative Assembly held in 2017, unless the com-
4 munity college withdraws the project approved under this 2013 Act.

5 (4) For biennia beginning on or after July 1, 2015, the aggregate amount authorized for
6 issuance of general obligation bonds under Article XI-G of the Oregon Constitution for
7 projects at a single community college may not exceed \$8 million.

8 **SECTION 11.** Notwithstanding section 16, chapter __, Oregon Laws 2013 (Enrolled Senate
9 Bill 5533), the State Treasurer may not issue the lottery bonds authorized by section 16,
10 chapter __, Oregon Laws 2013 (Enrolled Senate Bill 5533), unless the following conditions are
11 met no later than March 31, 2015:

12 (1) The Governor's office has approved a finance and development plan to help prepare
13 the site of the Willamette Falls Legacy Project for a public access project;

14 (2) A local or regional public sponsor of the project has secured a property interest in,
15 or option on, a riverfront portion of the property that was formerly the site of the Blue
16 Heron paper mill; and

17 (3) A local or regional public sponsor of the project has requested that the State Parks
18 and Recreation Department participate in the planning, development and potential future
19 operation of any public access project on the site to ensure that the statewide significance
20 of Willamette Falls is recognized and interpreted and that the falls are accessible to the
21 public.

22 **SECTION 12.** (1) Notwithstanding any other provision of law, the State Treasurer may
23 not issue any bond to finance the Oregon Convention Center hotel project unless the fol-
24 lowing conditions are met no later than March 31, 2015:

25 (a) An intergovernmental agreement has been signed to dedicate site-specific local tran-
26 sient lodging taxes from the Oregon Convention Center hotel to support debt service on
27 bonds for hotel construction;

28 (b) An agreement has been signed by Metro and a private developer for development of
29 the Oregon Convention Center hotel; and

30 (c) The amount of state bond proceeds used to finance the project is estimated in public
31 documents to be less than 5 percent of total project cost.

32 (2) As used in this section, "Metro" means the metropolitan service district organized
33 under ORS chapter 268.

34 **SECTION 13.** This 2013 Act being necessary for the immediate preservation of the public
35 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
36 July 1, 2013.