A-Engrossed Senate Bill 813

Ordered by the Senate April 2 Including Senate Amendments dated April 2

Sponsored by COMMITTEE ON VETERANS AND EMERGENCY PREPAREDNESS

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.

Transfers responsibility for seismic rehabilitation grant program from Director of Office of Emergency Management to [Oregon Department of Administrative Services] Oregon Business Development Department.

Becomes operative on January 1, 2014. Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to public safety improvements to public buildings; creating new provisions; amending ORS 285A.093, 286A.760, 286A.762, 286A.766, 286A.768, 286A.780, 286A.782, 286A.786, 286A.788, 401.092 and 401.910; and declaring an emergency.

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

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SEISMIC REHABILITATION

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SECTION 1. ORS 401.910 is amended to read:

401.910. (1) [The Director of the Office of Emergency Management, pursuant to the authority to administer grant programs for seismic rehabilitation provided in ORS 401.092,] The Oregon Business Development Department shall develop a grant program for the disbursement of funds for the seismic rehabilitation of critical public buildings, including hospital buildings with acute inpatient care facilities, fire stations, police stations, sheriffs' offices, other facilities used by state, county, district or municipal law enforcement agencies and buildings with a capacity of 250 or more persons that are routinely used for student activities by kindergarten through grade 12 public schools, community colleges, education service districts and institutions of higher education. The Oregon Infrastructure Finance Authority established in the department by ORS 285A.096 shall administer the grant program developed under this section. The funds for the seismic rehabilitation of critical public buildings under the grant program are to be provided from the issuance of bonds pursuant to the authority provided in Articles XI-M and XI-N of the Oregon Constitution.

(2) The grant program shall include the appointment of a grant committee. The grant committee may be composed of any number of persons with qualifications that the [director] authority determines necessary. However, the [director] authority shall include persons with experience in administering state grant programs and representatives of entities with responsibility over critical public buildings. The [director] authority shall also include as permanent members representatives of:

- 1 (a) The [Department of Human Services] Office of Emergency Management;
- (b) The State Department of Geology and Mineral Industries;
- 3 (c) The Seismic Safety Policy Advisory Commission;
- 4 (d) The Oregon Department of Administrative Services;
- (e) The Department of Education;
- (f) The Oregon Health Authority;

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- 7 (g) The Oregon Fire Chiefs Association;
- (h) The Oregon Association Chiefs of Police; [and]
- 9 (i) The Oregon Association of Hospitals and Health Systems; and
 - (j) The Confederation of Oregon School Administrators.
 - (3) The [director] authority shall determine the form and method of applying for grants from the grant program, the eligibility requirements for grant applicants, and general terms and conditions of the grants. The [director] authority shall also provide that the grant committee review grant applications and make a determination of funding based on a scoring system that is directly related to the statewide needs assessment performed by the State Department of Geology and Mineral Industries. Additionally, the grant process may:
 - (a) Require that the grant applicant provide matching funds for completion of any seismic rehabilitation project.
 - (b) Provide authority to the grant committee to waive requirements of the grant program based on special circumstances such as proximity to fault hazards, community value of the structure, emergency functions provided by the structure and storage of hazardous materials.
 - (c) Allow an applicant to appeal any determination of grant funding to the [director] authority for reevaluation.
 - (d) Provide that applicants release the state, the [director] authority and the grant committee from any claims of liability for providing funding for seismic rehabilitation.
 - (e) Provide separate rules for funding rehabilitation of structural and nonstructural building elements.
 - (4) Subject to the grant rules established by the [director] authority and subject to reevaluation by the [director] authority, the grant committee has the responsibility to review and make determinations on grant applications under the grant program established pursuant to this section.

SECTION 2. ORS 401.092 is amended to read:

- 401.092. (1) The Director of the Office of Emergency Management is responsible for coordinating and facilitating exercises and training, emergency planning, preparedness, response, mitigation and recovery activities with the state and local emergency services agencies and organizations, and shall, with the approval of the Adjutant General or as directed by the Governor:
- (a) Make rules that are necessary and proper for the administration and implementation of this chapter;
- (b) Coordinate the activities of all public and private organizations specifically related to providing emergency services within this state;
- (c) Maintain a cooperative liaison with emergency management agencies and organizations of local governments, other states and the federal government;
- (d) Have such additional authority, duties and responsibilities authorized by this chapter or as may be directed by the Governor;
- (e) Administer grants relating to emergency program management under ORS 401.305, [seismic rehabilitation,] emergency services for the state and the statewide 2-1-1 system as provided in ORS

1 403.430;

- (f) Provide for and staff a State Emergency Operations Center to aid the Governor and the Office of Emergency Management in the performance of duties under this chapter;
- (g) Serve as the Governor's authorized representative for coordination of certain response activities and managing the recovery process;
- (h) Establish training and professional standards for local emergency program management personnel;
- (i) Establish task forces and advisory groups to assist the office in achieving mandated responsibilities:
 - (j) Enforce compliance requirements of federal and state agencies for receiving funds and conducting designated emergency functions;
 - (k) Oversee the design, implementation and support of a statewide 2-1-1 system as provided under ORS 403.415; and
 - (L) Coordinate the activities of state and local governments to enable state and local governments to work together during domestic incidents as provided in the National Incident Management System established by the Homeland Security Presidential Directive 5 of February 28, 2003.
 - (2) Notwithstanding subsection (1) of this section, the State Forester shall serve as the Governor's authorized representative for the purpose of initiating the fire management assistance declaration process with the Federal Emergency Management Agency and administering Federal Emergency Management Agency fire management assistance grants.

SECTION 3. ORS 285A.093 is amended to read:

285A.093. The Oregon Infrastructure Finance Authority Board shall:

- (1) Serve as a body to advise municipalities, state agencies and private persons on the development and implementation of state policies and programs relating to the infrastructure needs of this state and its communities.
- (2) Advise the Governor, the Oregon Business Development Commission, the Director of the Oregon Business Development Department and the Oregon Business Development Department on matters identified by the commission as being of interest to the Governor, the commission, the director and the department that relate to infrastructure and public works programs administered, and actions taken, by the Oregon Infrastructure Finance Authority.
- (3) Provide the commission with the opportunity to comment and provide direction on matters relating to infrastructure and public works programs administered, and actions taken, by the authority.
- (4) Seek and receive the views of all levels of government and the private sector with respect to state policies and programs to address the infrastructure needs of this state.
- (5) Prepare and submit to the director suggested administrative rules that the board determines are necessary for the operation of the programs under the direction of the authority.
- (6) Establish policies and procedures for loan and grant programs administered by the authority, except for the seismic rehabilitation grant program administered under ORS 401.910.

SECTION 4. ORS 286A.760 is amended to read:

286A.760. As used in ORS 286A.760 to 286A.772, unless the context requires otherwise:

- (1) "Article XI-M bonds" means general obligation bonds or other general obligation indebtedness issued or incurred under the authority of Article XI-M of the Oregon Constitution.
 - (2) "Bond administration fund" means the Article XI-M Bond Administration Fund established

1 under ORS 286A.766.

- (3) "Bond fund" means the Article XI-M Bond Fund established under ORS 286A.764.
- (4) "Bond-related costs" means:
- (a) The costs of paying the principal of, the interest on and the premium, if any, on Article XI-M bonds;
 - (b) The costs and expenses of issuing, administering and maintaining Article XI-M bonds including, but not limited to, redeeming Article XI-M bonds and paying amounts due in connection with bond insurance, other credit enhancements or the administrative costs and expenses of the State Treasurer and the Oregon Department of Administrative Services, including costs of consultants or advisers retained by the State Treasurer or the department for the purpose of issuing, administering or maintaining Article XI-M bonds;
 - (c) Capitalized interest on Article XI-M bonds;
 - (d) Costs of funding reserves for Article XI-M bonds, including costs of surety bonds and similar instruments;
 - (e) Rebates or penalties due the United States Government in connection with Article XI-M bonds; and
 - (f) Other costs or expenses that the Director of the Oregon Department of Administrative Services determines are necessary or desirable in connection with issuing, administering or maintaining Article XI-M bonds.
 - (5) "Seismic fund" means the Education Seismic Fund established under ORS 286A.768.
 - (6) "State share of costs" means the total costs and related expenses of the seismic rehabilitation of public education buildings, minus contributions for seismic rehabilitation from the applicants as required by the [Office of Emergency Management] Oregon Business Development Department.
 - SECTION 5. ORS 286A.762 is amended to read:
 - 286A.762. (1) Article XI-M bonds are a general obligation of the State of Oregon and must contain a direct promise on behalf of the State of Oregon to pay the principal of, the interest on and the premium, if any, on the Article XI-M bonds. The State of Oregon shall pledge its full faith and credit and taxing power to pay Article XI-M bonds, except that the ad valorem taxing power of the State of Oregon may not be pledged to pay Article XI-M bonds.
 - (2) The State Treasurer, with the concurrence of the Director of the Oregon Department of Administrative Services, may issue Article XI-M bonds as provided in this chapter, subject to the limit on bond issuance established for the particular biennium pursuant to ORS 286A.035 and at the request of the [Director of the Office of Emergency Management] Director of the Oregon Business Development Department, for the purpose of financing all or a portion of the state share of costs to plan and implement seismic rehabilitation of public education buildings in the amount of the state share of costs, plus an amount determined by the State Treasurer to pay estimated bond-related costs.
 - (3) The State Treasurer shall transfer the net proceeds of Article XI-M bonds issued for the purpose described in subsection (2)(a) of this section to the [Office of Emergency Management] Oregon Business Development Department for deposit in the Education Seismic Fund established under ORS 286A.768.
 - **SECTION 6.** ORS 286A.766 is amended to read:
- 286A.766. (1) The Article XI-M Bond Administration Fund is established in the State Treasury, separate and distinct from the General Fund. Amounts in the bond administration fund may be in-

- vested as provided in ORS 293.701 to 293.820, and interest earned on the bond administration fund must be credited to the bond administration fund. Amounts credited to the bond administration fund are continuously appropriated to the Oregon Department of Administrative Services for payment of bond-related costs. The department shall credit to the bond administration fund:
 - (a) Proceeds of Article XI-M bonds that were issued to pay bond-related costs;
 - (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit in the bond administration fund; and
 - (c) Amounts transferred from the Education Seismic Fund by the [Office of Emergency Management] Oregon Business Development Department as provided in ORS 286A.768.
 - (2) The **Oregon** Department **of Administrative Services** may create separate accounts in the bond administration fund.

SECTION 7. ORS 286A.768 is amended to read:

- 286A.768. (1) The Education Seismic Fund is established in the State Treasury, separate and distinct from the General Fund. Amounts in the seismic fund may be invested as provided in ORS 293.701 to 293.820, and interest earned on the seismic fund must be credited to the seismic fund. Amounts credited to the seismic fund are continuously appropriated to the [Office of Emergency Management] Oregon Business Development Department for the purpose described in ORS 286A.762 (2) and for the purpose of paying bond-related costs. The [office] department shall deposit in the seismic fund:
 - (a) The net proceeds of Article XI-M bonds transferred pursuant to ORS 286A.762 (3);
- (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit in the seismic fund;
- (c) Gifts, grants or contributions received by the [office] department for the purpose described in ORS 286A.762 (2); and
- (d) Moneys received as repayment of, as a return on or in exchange for the grant or loan of net proceeds of Article XI-M bonds.
- (2) The [office] **department** may create separate accounts in the seismic fund as appropriate for the management of moneys in the seismic fund.
- (3) The [office] **department** and any other state agency or other entity receiving or holding net proceeds of Article XI-M bonds shall, at the direction of the Oregon Department of Administrative Services, take action necessary to maintain the excludability of interest on Article XI-M bonds from gross income under the Internal Revenue Code.
- (4) The [office] **department** shall transfer to the Article XI-M Bond Administration Fund the unexpended and uncommitted amounts remaining in the seismic fund if:
- (a) Unexpended funds that are not contractually committed to a particular purpose remain in the seismic fund on the last day of the biennium; and
 - (b) Article XI-M bonds will be outstanding in the next biennium.
- (5) The [office] **department** may adopt rules to carry out this section including, but not limited to, establishing:
 - (a) Required contributions from applicants;
 - (b) Fees:

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- 42 (c) Standards, terms and conditions under which moneys in the seismic fund may be granted, 43 loaned or otherwise made available; and
 - (d) Procedures for distributing and monitoring the use of moneys from the seismic fund.
- 45 SECTION 8. ORS 286A.780 is amended to read:

- 286A.780. As used in ORS 286A.780 to 286A.792, unless the context requires otherwise: 1
 - (1) "Article XI-N bonds" means general obligation bonds or other general obligation indebtedness issued or incurred under the authority of Article XI-N of the Oregon Constitution.
 - (2) "Bond administration fund" means the Article XI-N Bond Administration Fund established under ORS 286A.786.
 - (3) "Bond fund" means the Article XI-N Bond Fund established under ORS 286A.784.
 - (4) "Bond-related costs" means:

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- (a) The costs of paying the principal of, the interest on and the premium, if any, on Article XI-N 9 bonds:
 - (b) The costs and expenses of issuing, administering and maintaining Article XI-N bonds including, but not limited to, redeeming Article XI-N bonds and paying amounts due in connection with bond insurance, other credit enhancements or the administrative costs and expenses of the State Treasurer and the Oregon Department of Administrative Services, including costs of consultants or advisers retained by the State Treasurer or the department for the purpose of issuing, administering or maintaining Article XI-N bonds;
 - (c) Capitalized interest on Article XI-N bonds;
 - (d) Costs of funding reserves for Article XI-N bonds, including costs of surety bonds and similar instruments;
 - (e) Rebates or penalties due the United States Government in connection with Article XI-N bonds; and
 - (f) Other costs or expenses that the Director of the Oregon Department of Administrative Services determines are necessary or desirable in connection with issuing, administering or maintaining Article XI-N bonds.
 - (5) "Seismic fund" means the Emergency Services Seismic Fund established under ORS 286A.788.
 - (6) "State share of costs" means the total costs and related expenses of the seismic rehabilitation of emergency services buildings, minus contributions for seismic rehabilitation from the applicants as required by the [Office of Emergency Management] Oregon Business Development Department.

SECTION 9. ORS 286A.782 is amended to read:

- 286A.782. (1) Article XI-N bonds are a general obligation of the State of Oregon and must contain a direct promise on behalf of the State of Oregon to pay the principal of, the interest on and the premium, if any, on the Article XI-N bonds. The State of Oregon shall pledge its full faith and credit and taxing power to pay Article XI-N bonds, except that the ad valorem taxing power of the State of Oregon may not be pledged to pay Article XI-N bonds.
- (2) The State Treasurer, with the concurrence of the Director of the Oregon Department of Administrative Services, may issue Article XI-N bonds as provided in this chapter, subject to the limit on bond issuance established for the particular biennium pursuant to ORS 286A.035 and at the request of the Director of the [Office of Emergency Management] Oregon Business Development Department, for the purpose of financing all or a portion of the state share of costs to plan and implement seismic rehabilitation of emergency services buildings in the amount of the state share of costs, plus an amount determined by the State Treasurer to pay estimated bond-related costs.
- (3) The State Treasurer shall transfer the net proceeds of Article XI-N bonds issued for the purpose described in subsection (2)(a) of this section to the [Office of Emergency Management] Oregon Business Development Department for deposit in the Emergency Services Seismic Fund established under ORS 286A.788.

SECTION 10. ORS 286A.786 is amended to read:

286A.786. (1) The Article XI-N Bond Administration Fund is established in the State Treasury, separate and distinct from the General Fund. Amounts in the bond administration fund may be invested as provided in ORS 293.701 to 293.820, and interest earned on the bond administration fund must be credited to the bond administration fund. Amounts credited to the bond administration fund are continuously appropriated to the Oregon Department of Administrative Services for payment of bond-related costs. The department shall credit to the bond administration fund:

- (a) Proceeds of Article XI-N bonds that were issued to pay bond-related costs;
- (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit in the bond administration fund; and
- (c) Amounts transferred from the Emergency Services Seismic Fund by the [Office of Emergency Management] Oregon Business Development Department as provided in ORS 286A.788.
- (2) The **Oregon** Department **of Administrative Services** may create separate accounts in the bond administration fund.

SECTION 11. ORS 286A.788 is amended to read:

286A.788. (1) The Emergency Services Seismic Fund is established in the State Treasury, separate and distinct from the General Fund. Amounts in the seismic fund may be invested as provided in ORS 293.701 to 293.820, and interest earned on the seismic fund must be credited to the seismic fund. Amounts credited to the seismic fund are continuously appropriated to the [Office of Emergency Management] Oregon Business Development Department for the purpose described in ORS 286A.782 (2) and for the purpose of paying bond-related costs. The [office] department shall deposit in the seismic fund:

- (a) The net proceeds of Article XI-N bonds transferred pursuant to ORS 286A.782 (3);
- (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit in the seismic fund;
- (c) Gifts, grants or contributions received by the [office] department for the purpose described in ORS 286A.782 (2); and
- (d) Moneys received as repayment of, as a return on or in exchange for the grant or loan of net proceeds of Article XI-N bonds.
- (2) The [office] **Oregon Business Development Department** may create separate accounts in the seismic fund as appropriate for the management of moneys in the seismic fund.
- (3) The [office] Oregon Business Development Department and any other state agency or other entity receiving or holding net proceeds of Article XI-N bonds shall, at the direction of the Oregon Department of Administrative Services, take action necessary to maintain the excludability of interest on Article XI-N bonds from gross income under the Internal Revenue Code.
- (4) The [office] **Oregon Business Development Department** shall transfer to the Article XI-N Bond Administration Fund the unexpended and uncommitted amounts remaining in the seismic fund if:
- (a) Unexpended funds that are not contractually committed to a particular purpose remain in the seismic fund on the last day of the biennium; and
 - (b) Article XI-N bonds will be outstanding in the next biennium.
- (5) The [office] **Oregon Business Development Department** may adopt rules to carry out this section including, but not limited to, establishing:
 - (a) Required contributions from applicants;
- 45 (b) Fees;

A-Eng. SB 813 (c) Standards, terms and conditions under which moneys in the seismic fund may be granted, 1 2 loaned or otherwise made available; and 3 (d) Procedures for distributing and monitoring the use of moneys from the seismic fund. 4 TRANSFER 5 6 SECTION 12. The duties, functions and powers of the Director of the Office of Emergency 7 Management relating to seismic rehabilitation of critical public buildings under the grant 8 9 program described in ORS 401.910 are imposed upon, transferred to and vested in the Oregon **Business Development Department.** 10 11 12 RECORDS, PROPERTY, EMPLOYEES 13 SECTION 13. (1) The Director of the Office of Emergency Management shall: 14 15 (a) Deliver to the Oregon Business Development Department all records and property within the jurisdiction of the director that relate to the duties, functions and powers trans-16 ferred by section 12 of this 2013 Act; and 17 18 (b) Transfer to the department those employees engaged primarily in the exercise of the duties, functions and powers transferred by section 12 of this 2013 Act. 19 (2) The Director of the Oregon Business Development Department shall take possession 20 of the records and property, and shall take charge of the employees and employ them in the 21 22 exercise of the duties, functions and powers transferred by section 12 of this 2013 Act, 23 without reduction of compensation but subject to change or termination of employment or compensation as provided by law. 24 (3) The Governor shall resolve any dispute between the Director of the Office of Emer-25 gency Management and the Oregon Business Development Department relating to transfers 26 27 of records, property or employees under this section, and the Governor's decision is final. 28 UNEXPENDED REVENUES 29 30 31 SECTION 14. (1) The unexpended balances of amounts authorized to be expended by the Director of the Office of Emergency Management for the biennium beginning July 1, 2013, 32 from revenues dedicated, continuously appropriated, appropriated or otherwise made avail-33 34 able for the purpose of administering and enforcing the duties, functions and powers trans-35 ferred by section 12 of this 2013 Act are transferred to and are available for expenditure by the Oregon Business Development Department for the biennium beginning July 1, 2013, for 36

ferred by section 12 of this 2013 Act are transferred to and are available for expenditure by the Oregon Business Development Department for the biennium beginning July 1, 2013, for the purpose of administering and enforcing the duties, functions and powers transferred by section 12 of this 2013 Act.

(2) The expenditure classifications if any established by Acts authorizing or limiting

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(2) The expenditure classifications, if any, established by Acts authorizing or limiting expenditures by the director remain applicable to expenditures by the department under this section.

ACTION, PROCEEDING, PROSECUTION

SECTION 15. The transfer of duties, functions and powers to the Oregon Business De-

velopment Department by section 12 of this 2013 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the Oregon Business Development Department is substituted for the Director of the Office of Emergency Management in the action, proceeding or prosecution.

LIABILITY, DUTY, OBLIGATION

SECTION 16. (1) Nothing in sections 12 to 18 of this 2013 Act and the amendments to ORS 285A.093, 286A.760, 286A.762, 286A.766, 286A.768, 286A.780, 286A.782, 286A.786, 286A.788, 401.092 and 401.910 by sections 1 to 11 of this 2013 Act relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by section 12 of this 2013 Act. The Oregon Business Development Department may undertake the collection or enforcement of any such liability, duty or obligation.

(2) The rights and obligations of the Director of the Office of Emergency Management legally incurred under contracts, leases and business transactions executed, entered into or begun before the operative date of section 12 of this 2013 Act accruing under or with respect to the duties, functions and powers transferred by section 12 of this 2013 Act are transferred to the department. For the purpose of succession to these rights and obligations, the department is a continuation of the director and not a new authority.

RULES

SECTION 17. Notwithstanding the transfer of duties, functions and powers by section 12 of this 2013 Act, the rules of the Director of the Office of Emergency Management with respect to such duties, functions or powers that are in effect on the operative date of section 12 of this 2013 Act continue in effect until superseded or repealed by rules of the Oregon Business Development Department. References in such rules of the director or the Office of Emergency Management or to an officer or employee of the office are considered to be references to the department or to an officer or employee of the department.

SECTION 18. Whenever, in any uncodified law or resolution of the Legislative Assembly or in any rule, document, record or proceeding authorized by the Legislative Assembly, in the context of the duties, functions and powers transferred by section 12 of this 2013 Act, reference is made to the Director of the Office of Emergency Management, to the Office of Emergency Management or to an officer or employee of the office, whose duties, functions or powers are transferred by section 12 of this 2013 Act, the reference is considered to be a reference to the Oregon Business Development Department or to an officer or employee of the department who by this 2013 Act is charged with carrying out such duties, functions and powers.

OPERATIVE DATE

<u>SECTION 19.</u> Sections 12 to 18 of this 2013 Act and the amendments to ORS 285A.093, 286A.760, 286A.762, 286A.766, 286A.768, 286A.780, 286A.782, 286A.786, 286A.788, 401.092 and 401.910 by sections 1 to 11 of this 2013 Act become operative on January 1, 2014.

1	UNIT CAPTIONS
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3	SECTION 20. The unit captions used in this 2013 Act are provided only for the conven-
4	ience of the reader and do not become part of the statutory law of this state or express any
5	legislative intent in the enactment of this 2013 Act.
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7	EMERGENCY CLAUSE
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9	SECTION 21. This 2013 Act being necessary for the immediate preservation of the public
10	peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
11	on its passage.
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