SENATE AMENDMENTS TO SENATE BILL 5703

By JOINT COMMITTEE ON WAYS AND MEANS

March 7

On <u>page 1</u> of the printed bill, line 2, after the semicolon delete the rest of the line and line 3 and insert "creating new provisions; amending ORS 351.374, 352.113 and 352.138 and section 4, chapter 609, Oregon Laws 2009, sections 1, 2, 3, 8 and 9, chapter 705, Oregon Laws 2013, and sections 8 and 20, chapter 786, Oregon Laws 2013; appropriating money; and declaring an emergency.".

6 Delete lines 5 through 30 and delete <u>page 2</u> and insert:

7

"SECTION 1. Section 8, chapter 786, Oregon Laws 2013, is amended to read:

8 "Sec. 8. (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department 9 of Administrative Services, after the department consults with the State Department of Energy, the 10 State Treasurer [*is authorized to*] **may** issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in 11 an amount [*that produces \$5*] **not to exceed \$10** million in net proceeds [*and interest earnings*] for 12 the purposes described in subsection (2) of this section, plus an additional amount estimated by the 13 State Treasurer to be necessary to pay bond-related costs.

"(2) Net proceeds of lottery bonds issued under this section and interest earnings must be transferred to the State Department of Energy in an amount sufficient to provide [\$5] **\$10** million in net proceeds and interest earnings for deposit in the [*Clean Energy Deployment Fund established in ORS 470.800 for the purposes described in ORS 470.810.*] Jobs, Energy and Schools Fund established in ORS 470.575 to provide a grant to Clean Energy Works Oregon for the purposes described in ORS 470.575.

"(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches,
watersheds and native fish and wildlife, and is authorized based on the following findings:

"(a) Increasing and promoting energy efficiency in structures and operations statewide increases
 economic development and energy conservation, and expands opportunities for new and emerging
 industries in Oregon.

26 "(b) The projects made possible through increased funding of energy efficiency programs creates 27 jobs and furthers economic development.

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"SECTION 2. Section 20, chapter 786, Oregon Laws 2013, is amended to read:

"Sec. 20. (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department of Administrative Services, after the department consults with [the North Central Education Service District] Wheeler County, the State Treasurer [is authorized to] may issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount [that produces] not to exceed \$1 million in net proceeds [and interest earnings] for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

35 "(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide

\$1 million in net proceeds and interest earnings must be transferred to the department for deposit 1 2 in the ODAS Economic Development Distributions Fund established in [section 23 of this 2013 Act] ORS 461.553 for distribution to [the North Central Education Service District] Wheeler County for 3 4 the Frontier Digital Network for the purpose of acquiring digital switching equipment needed to improve [education and] public safety services in [the three counties] Gilliam, Sherman and 5 6 Wheeler Counties. 7 "(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, 8 watersheds and native fish and wildlife, and is authorized based on the finding that [education and] 9 public safety [are] is a necessary [components] component of a climate that facilitates and encour-10 11 ages economic development. "SECTION 3. Section 1, chapter 705, Oregon Laws 2013, is amended to read: 12"Sec. 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obli-13gation bonds of this state during the 2013-2015 biennium are as follows: 14 GENERAL OBLIGATION BONDS 15 General Fund Obligations 16 (1) Oregon University System 17(Art. XI-G): 18 19 (a) Oregon State University: 20 (A) Strand Agricultural Hall 21deferred maintenance \$ 6,586,000 22[(B) Biofuels Demonstration] \$ 23[Project 4,000,000] [(C) Classroom Building and Quad \$ 32,500,000] 24 25[(D) Cascades Campus Expansion \$ 4,000,000] 26(B) Classroom Building and Quad \$ 32,500,000 27 **Cascades Campus Expansion \$ (C)** 7,850,000 [(E) Chemistry, Biology and] 2829 (D) Chemistry, Biology and **Environmental Engineering** 30 Building \$ 20,000,000 31Portland State University: 32(b) School of Business \$ 33 (A) 10,000,000 Stott Center renovations 34 (B) \$ 35 and deferred maintenance 20,000,000 University of Oregon: 36 (c) Straub and Earl Halls 37 (A) \$ 38 classroom expansion 11,000,000 Science Commons and 39 (B) \$ 40 **Research** Library 8,375,000 41 (d) Western Oregon University New College of Education 42\$ Facility 1,400,000 43 44 **(e) Oregon Health and Science University Cancer Institute** 45 \$ 161,490,000

1	(2)	Department of Community	
2		Colleges and Workforce	
3		[Development (Art. XI-G)	\$ 125,081,600]
4		Development (Art. XI-G)	\$ 123,451,600
5	(3)	Department of Environmental	
6		Quality (Art. XI-H)	\$ 10,000,000
7	(4)	Oregon Business Development	
8		Department (Art. XI-M)	\$ 15,000,000
9	(5)	Oregon Business Development	
10		Department (Art. XI-N)	\$ 15,000,000
11	(6)	Oregon Department of	
12		Administrative	
13		[Services (Art. XI-Q)	\$ 426,052,000]
14		Services (Art. XI-Q)	\$ 459,618,100
15	Dedi	cated Fund Obligations	
16	(7)	Department of Transportation	
17		(Art. XI, section 7)	\$ 453,725,000
18	(8)	Department of Veterans'	
19		Affairs (Art. XI-A)	\$ 60,000,000
20	(9)	Oregon University System	
21		(Art. XI-F(1)):	
22	(a)	Systemwide:	
23	(A)	Capital renewal, code	
24		compliance and safety	\$ 3,300,000
25	(B)	Commercial paper	\$ 15,000,000
26	(C)	Student building fee	
27		projects	\$ 20,000,000
28	(b)	Oregon Institute of	
29		Technology In Focus	
30		Building acquisition	\$ 10,000,000
31	(c)	Oregon State University:	
32	(A)	Student Experience Center	\$ 42,700,000
33	(B)	New student residence hall	\$ 19,000,000
34	(C)	Memorial Union East	
35		Wing renovation	\$ 9,177,500
36	(D)	Cascades campus expansion	\$ 4,000,000
37	(E)	Housing and dining	
38		facility upgrades	\$ 9,500,000
39	(d)	Portland State University:	
40	(A)	Stott Center renovations	
41		and deferred maintenance	\$ 2,000,000
42	(B)	Land acquisition	\$ 10,000,000
43	(e)	Southern Oregon University:	
44	(A)	Cascade Hall replacement	\$ 7,000,000
45	(B)	Student Recreation and	

1	Fitness Center	\$	20,000,000				
2	(f) University of Oregon:						
3	(A) Erb Memorial Union	\$	84,300,000				
4	(B) Student Recreation						
5	Center expansion and						
6	renovation	\$	50,250,000				
7	(C) Housing expansion	\$	84,750,000				
8	(10) Water Resources Department						
9	(Art. XI-I(1))	\$	10,235,000				
10	(11) Housing and Community						
11	Services Department						
12	(Art. XI-I(2))	\$	25,000,000				
13	(12) State Department						
14	of Energy (Art. XI-J)	\$	60,000,000				
15	Total General Obligation						
16	[<u>Bonds</u>		1,708,932,100]				
17	Bonds	\$	1,902,208,200				
18	" <u>SECTION 4.</u> Section 2, chapter 705	5, (Dregon Laws 2013, is amended to read:				
19	"Sec. 2. The amounts authorized, as	s p	rovided by ORS 286A.035, for issuance of revenue bonds				
20	20 of this state during the 2013-2015 biennium are as follows:						
21	REVENUE BONDS						
22	Direct Revenue Bonds						
23	Housing and Community						
24	Services Department	\$	150,000,000				
25	Department of Transportation,						
26	Oregon Transportation						
27	Infrastructure Fund	\$	20,400,000				
28	Highway User Tax Bonds	\$	846,690,000				
29	Toll-backed Revenue Bonds	\$	663,000,000				
30	Oregon Business Development						
31	Department	\$	35,000,000				
32	Oregon Department of						
33	Administrative Services						
34	[lottery revenue bonds	\$	157,557,715]				
35	lottery revenue bonds	\$	219,717,715				
36	State Department of Energy	\$	20,000,000				
37	Oregon University System	\$	50,000,000				
38	38 <u>Total Direct Revenue</u>						
39	[<u>Bonds</u>	\$	1,942,647,715]				
40	Bonds	\$	2,004,807,715				
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	development bonds	\$	165,000,000				
2	Oregon Business Developmen		100,000,000				
-3	Department beginning and	10					
4	expanding farmer loan						
5	program	\$	10,000,000				
6	Oregon Facilities Authority	\$	950,000,000				
7	Housing and Community						
8	Services Department	\$	150,000,000				
9	Total Pass-Through Revenue						
10	[Bonds	\$	665,000,000]				
11	[Total Revenue Bonds]	\$ 2	2,607,647,715]				
12	Bonds	\$	1,275,000,000				
13	Total Revenue Bonds	\$	3,279,807,715				
14	" <u>SECTION 5.</u> Section 3, chapter 705	5, 0	regon Laws 2013, is amended to read:				
15	"Sec. 3. The amount authorized, as	pr	ovided by ORS 286A.035, for issuance of certificates of				
16	participation and other financing agreen	men	ts of this state during the 2013-2015 biennium for the				
17	Oregon Department of Administrative Se	ervi	ces is [\$40,000,000] \$55,600,000 .				
18	"SECTION 6. Section 8, chapter 705, Oregon Laws 2013, is amended to read:						
19	"Sec. 8. (1) Out of the amount specified in section 1 (6), chapter 705, Oregon Laws 2013 [of this						
20	2013 Act], the State Treasurer may issue Article XI-Q bonds in an amount not to exceed [\$15] \$19						
21		-	ecified in subsection (3) of this section, plus an amount				
22	estimated by the State Treasurer to pay						
23	"(2)(a) Bonds may not be issued pursuant to this section unless:						
24	"(A) The Chief Justice of the Supreme Court has determined that:						
25	"(i) The courthouse with respect to which the bonds will be issued has significant structural						
26 97							
27 28	safety; "(ii) Roploging the courthouse, when	thor	by acquiring and remodeling or repairing an existing				
28 29							
2 <i>3</i> 30							
31							
32							
33							
34	bonds will be issued.						
35	"(b) The Oregon Department of Administrative Services, after consultation with the Judicial						
36	Department, shall determine when net proceeds are needed for the purposes described in subsection						
37	(3) of this section and shall consult with the Judicial Department regarding the sale of bonds to be						
38	issued pursuant to this section.						
39	"(3) The State Treasurer shall deposit the net proceeds of bonds issued pursuant to this section						
40	in the Oregon Courthouse Capital Construction and Improvement Fund. The net proceeds and any						
41	interest earnings may be used solely to finance costs related to acquiring, constructing, remodeling,						
42	repairing, equipping or furnishing land, improvements, courthouses or portions of courthouses that						
43	are, or that upon completion of a project funded under this section will be, owned or operated						
44	by the State of Oregon.						
45	"(4) As used in ORS 286A.816 to 286	6A.8	326 with respect to this section:				

1 "(a) 'Project agency' means the Judicial Department.

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

3 "SECTION 7. Section 9, chapter 705, Oregon Laws 2013, is amended to read:

4 "Sec. 9. (1)(a) Notwithstanding ORS 1.185, a county and the state, acting by and through the Oregon Department of Administrative Services on behalf of the Judicial Department, may enter into 5 [a lease agreement or an intergovernmental agreement] interim agreements that provide for the 6 7 funding, acquisition, development and construction of a courthouse and require the parties 8 to negotiate in good faith and execute a long-term lease agreement or a long-term intergovernmental agreement with respect to the ownership or operation of a courthouse or portions 9 10 of a courthouse that the county is required to provide under ORS 1.185, pursuant to which the state 11 agrees to provide the property and services described in ORS 1.185 (1)(a).

"(b)(A) An agreement entered into pursuant to this subsection may include a requirement that the county transfer to the Oregon Courthouse Capital Construction and Improvement Fund an amount not less than 50 percent of the total estimated costs of a project funded with bonds issued pursuant to section 8, chapter 705, Oregon Laws 2013, [of this 2013 Act] with respect to the courthouse or portions of a courthouse that are the subject of the agreement.

"(B) The amount transferred by a county pursuant to this paragraph may comprise, singly or
 in any combination and proportion:

"(i) Property tax revenues, bond proceeds or any other county moneys [singly or in any combi nation and proportion]; and

"(ii) A credit equal to the higher of the appraised value or the actual purchase price of
land purchased by the county for the courthouse if the state approves of the land as the site
for the courthouse.

24 "[(B)] (C) The amount required to be transferred by the county under this subsection may not 25 be less than 75 percent of the total estimated costs unless the project includes colocation [of state 26 facilities] in the courthouse of state offices in addition to the state circuit court facilities.

"(2) For purposes of section 8, chapter 705, Oregon Laws 2013 [of this 2013 Act], the state shall
be considered to operate a courthouse or portions of a courthouse that are the subject of an
agreement entered into pursuant to subsection (1) of this section if, as applicable:

"(a) The lease agreement conveys to the state a full leasehold interest, including exclusive rights
to control and use the courthouse or portions of the courthouse that are typical of a long-term lease,
for a term that is at least equal to the term during which the bonds issued pursuant to section 8, **chapter 705, Oregon Laws 2013,** [of this 2013 Act] will remain outstanding.

34 "(b) The intergovernmental agreement grants the state the exclusive right to control and use 35 the courthouse or portions of the courthouse for a term that is at least equal to the term during 36 which the bonds issued pursuant to section 8, chapter 705, Oregon Laws 2013, [of this 2013 Act] 37 will remain outstanding.

³⁸ "<u>SECTION 8.</u> (1) For the biennium beginning July 1, 2013, at the request of the Oregon ³⁹ Department of Administrative Services, after the department consults with the Beaverton ⁴⁰ Community Health Collaborative, the State Treasurer is authorized to issue lottery bonds ⁴¹ pursuant to ORS 286A.560 to 286A.585 in an amount that does not exceed \$1 million in net ⁴² proceeds for the purpose described in subsection (2) of this section, plus an additional ⁴³ amount estimated by the State Treasurer to be necessary to pay bond-related costs.

44 "(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to 45 provide \$1 million in net proceeds and interest earnings must be transferred to the depart1 ment for deposit in the ODAS Economic Development Distributions Fund established in ORS 2 461.553 for distribution to the Beaverton Community Health Collaborative for the develop-3 ment of a health and wellness facility to deliver medical, dental, mental and public health 4 and wellness services in an interdisciplinary way to low-and moderate-income households and 5 special needs populations in the Beaverton area.

6 "(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, 7 further economic development, finance public education or restore and protect parks, 8 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that 9 the health and wellness facility creates jobs and facilitates and encourages economic devel-10 opment by promoting the health and well-being of Oregon's labor force.

¹¹ "<u>SECTION 9.</u> (1) For the biennium beginning July 1, 2013, at the request of the Oregon ¹² Department of Administrative Services, after the department consults with the Mid-¹³ Columbia Medical Center, the State Treasurer is authorized to issue lottery bonds pursuant ¹⁴ to ORS 286A.560 to 286A.585 in an amount that does not exceed \$1 million in net proceeds for ¹⁵ the purpose described in subsection (2) of this section, plus an additional amount estimated ¹⁶ by the State Treasurer to be necessary to pay bond-related costs.

17 "(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to 18 provide \$1 million in net proceeds and interest earnings must be transferred to the depart-19 ment for deposit in the ODAS Economic Development Distributions Fund established in ORS 20 461.553 for distribution as a grant to the Mid-Columbia Medical Center for the purpose of a 21 capital construction project to improve or expand the medical center.

"(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the finding that the capital construction project creates jobs and facilitates and encourages long-term economic development in the region.

27 "<u>SECTION 10.</u> (1) For the biennium beginning July 1, 2013, at the request of the Oregon 28 Department of Administrative Services, after the department consults with the City of 29 Cornelius, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 30 to 286A.585 in an amount that does not exceed \$2.4 million in net proceeds for the purpose 31 described in subsection (2) of this section, plus an additional amount estimated by the State 32 Treasurer to be necessary to pay bond-related costs.

33 "(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to 34 provide \$2.4 million in net proceeds and interest earnings must be transferred to the de-35 partment for deposit in the ODAS Economic Development Distributions Fund established in 36 ORS 461.553 for distribution to the City of Cornelius for the purpose of financing the devel-37 opment of a new public library.

"(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, 38 further economic development, finance public education or restore and protect parks, 39 40 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that 41 public libraries are a service that is part of the provision of public education to Oregonians. "SECTION 11. (1) For the biennium beginning July 1, 2013, at the request of the Oregon 42Department of Administrative Services, after the department consults with the City of 43 44 Stayton, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 45 to 286A.585 in an amount that does not exceed \$1.5 million in net proceeds for the purpose

described in subsection (2) of this section, plus an additional amount estimated by the State
 Treasurer to be necessary to pay bond-related costs.

3 "(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to 4 provide \$1.5 million in net proceeds and interest earnings must be transferred to the de-5 partment for deposit in the ODAS Economic Development Distributions Fund established in 6 ORS 461.553 for distribution to the City of Stayton for the purpose of financing the im-7 provement or maintenance of storm water infrastructure.

8 "(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, 9 further economic development, finance public education or restore and protect parks, 10 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that 11 the improvement and maintenance of storm water infrastructure creates jobs and maintains 12 public facilities that are necessary to facilitate and encourage economic development.

¹³ "<u>SECTION 12.</u> (1) Subject to subsection (2) of this section, for the biennium beginning ¹⁴ July 1, 2013, at the request of the Oregon Department of Administrative Services, after the ¹⁵ department consults with Oregon Health and Science University, the State Treasurer is au-¹⁶ thorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that does ¹⁷ not exceed \$38 million in net proceeds for the purpose described in subsection (3) of this ¹⁸ section, plus an additional amount estimated by the State Treasurer to be necessary to pay ¹⁹ bond-related costs.

"(2) The lottery bonds authorized by this section may not be issued until the Oregon Department of Administrative Services certifies to the State Treasurer that Oregon Health and Science University has complied with the terms and conditions imposed by the grant agreement required by section 22 of this 2014 Act for issuance of the OHSU Cancer Challenge Article XI-G Bonds.

"(3) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$38 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established in ORS 461.553 for distribution to Oregon Health and Science University for the purpose of financing the project, as defined in section 20 of this 2014 Act.

"(4) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the finding that the project will create jobs and facilitate and encourage long-term economic development by promoting the health of Oregon's labor force.

³⁵ "<u>SECTION 13.</u> (1) For the biennium beginning July 1, 2013, at the request of the Oregon ³⁶ Department of Administrative Services, after the department consults with the Port of ³⁷ Morrow, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 ³⁸ to 286A.585 in an amount that does not exceed \$2.9 million in net proceeds for the purpose ³⁹ described in subsection (2) of this section, plus an additional amount estimated by the State ⁴⁰ Treasurer to be necessary to pay bond-related costs.

41 "(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to 42 provide \$2.9 million in net proceeds and interest earnings must be transferred to the de-43 partment for deposit in the ODAS Economic Development Distributions Fund established in 44 ORS 461.553 for distribution to the Port of Morrow for a revolving loan program that sup-45 ports energy conservation, renewable energy and general business development projects. 1 "(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, 2 further economic development, finance public education or restore and protect parks, 3 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that 4 energy conservation, renewable energy and general business development projects create 5 jobs and facilitate and encourage economic development.

6 "SECTION 14. (1) For the biennium beginning July 1, 2013, at the request of the Oregon 7 Department of Administrative Services, after the department consults with the Department 8 of Community Colleges and Workforce Development, the State Treasurer is authorized to 9 issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that does not exceed 10 \$1.63 million in net proceeds for the purpose described in subsection (2) of this section, plus 11 an additional amount estimated by the State Treasurer to be necessary to pay bond-related 12 costs.

"(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$1.63 million in net proceeds and interest earnings must be deposited to the Cascades Hall Reacquisition Fund established under section 14a of this 2014 Act for the purpose of terminating the leasehold on, and remodeling, Cascades Hall on the campus of the Central Oregon Community College.

18 "(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, 19 further economic development, finance public education or restore and protect parks, 20 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that 21 the proceeds will be used to finance public education.

22 "<u>SECTION 14a.</u> (1) The Cascades Hall Reacquisition Fund is established in the State 23 Treasury, separate and distinct from the General Fund. Amounts in the Cascades Hall Re-24 acquisition Fund may be invested as provided in ORS 293.701 to 293.857, and interest earned 25 on the fund must be credited to the fund.

"(2) Amounts credited to the fund are continuously appropriated to the Department of Community Colleges and Workforce Development for the purpose of terminating the leasehold on, and remodeling, Cascades Hall on the campus of the Central Oregon Community College and for the purpose of paying bond-related costs. The department shall deposit in the fund:

"(a) The net proceeds and interest earnings of lottery bonds issued pursuant to section
14 of this 2014 Act;

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

"(c) Gifts, grants or contributions received by the department for the purpose described
 in this section.

"(3) The department may create separate accounts in the fund as appropriate for the
 management of moneys in the fund.

³⁹ "<u>SECTION 15.</u> Section 4, chapter 906, Oregon Laws 2009, as amended by section 3, chapter 624,
 ⁴⁰ Oregon Laws 2011, and section 19, chapter 786, Oregon Laws 2013, is amended to read:

41 "Sec. 4. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department 42 of Administrative Services, after the department consults with the Housing and Community Services 43 Department, the State Treasurer is authorized to issue lottery bonds for the Housing and Community 44 Services Department to provide financial assistance to aid in the acquisition, renovation or mainte-45 nance of section 8 housing or other housing with federal rent subsidies. 1 "(2) The use of lottery bond proceeds is authorized based on the following findings:

"(a) Individuals who are at risk of homelessness or who otherwise pay a disproportionate share
of income for housing increase their potential for self-sufficiency, and use proportionately fewer
community-funded resources when they are provided a stable housing environment.

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"(b) Having housing for at-risk populations is essential to Oregon's healthy economic growth.

6 "(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this 7 section may not exceed the amount of [\$26,301,718] **\$28,801,718** plus an additional amount estimated 8 by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

"<u>SECTION 16.</u> ORS 352.113 is amended to read:

10 "352.113. (1) Legal title to all real property acquired by a university with a governing board [shall] must be taken and held in the name of the State of Oregon, acting by and through the gov-11 12erning board. Legal title to all real property conveyed to a university with a governing board is 13considered to be conveyed to and vested in the State of Oregon, acting by and through the governing board. Authorized conveyances of all real property, other than university lands, acquired by or 14 15 vested in the State of Oregon for the use or benefit of the university must be executed in the name 16 of the State of Oregon, acting by and through the governing board, by the chairperson of the gov-17erning board.

18 "(2) The governing board has custody and control of and shall care for all real property used 19 for university purposes. Management, maintenance, encumbrance, disposal and preservation of all 20real property used for university purposes, whether the real property is acquired before or after the 21establishment of a governing board, is the responsibility of the governing board. Unless the gov-22erning board has granted prior consent, real property taken and held under this section may only 23be encumbered by the State of Oregon in accordance with state law and in a manner that would not impair the financial condition of the university or the rights of the holders of any obligations 24 25of the university issued or incurred under any master indenture or other financing agreement.

26 (3) Legal title to all personal property acquired, constructed, remodeled, repaired, 27equipped or furnished with the proceeds of bonds issued pursuant to Article XI-Q of the Oregon Constitution for the benefit of a university with a governing board must be taken 2829 and held in the name of the State of Oregon, acting by and through the governing board. The 30 governing board has custody and control of the personal property and shall care for the personal property owned by the State of Oregon. When the Article XI-Q bonds are no longer 3132outstanding, legal title to the personal property automatically by operation of law transfers 33 to and vests in the university with a governing board for whose benefit the Article XI-Q 34bonds were issued.

³⁵ "[(3)] (4) Unless the State Treasurer has granted prior consent, real or personal property held ³⁶ in the name of the State of Oregon, or in which the State of Oregon has an ownership or other legal ³⁷ interest, that was acquired, constructed, improved with or otherwise directly benefited by the pro-³⁸ ceeds of outstanding state bonds, may not be:

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"(a) Used by a governing board in a manner that would give rise to private business use; or

"(b) Sold, transferred, encumbered, leased or otherwise disposed of by a governing board. The
reference to leases in this paragraph does not apply to residential leases that a governing board
enters into with students, faculty or employees of the university.

43 "<u>SECTION 17.</u> ORS 352.138 is amended to read:

"352.138. (1) The following entities are not subject to any provision of law enacted after January
1, 2013, that is unique to governmental entities unless the following entities are expressly named:

1 "(a) A university with a governing board; and

2 "(b) Any not-for-profit organization or other entity if the equity of the entity is owned or con-3 trolled exclusively by a university with a governing board and if the organization or entity is cre-4 ated by the university to advance any of the university's statutory missions.

5 "(2) Notwithstanding subsection (1) of this section, the provisions of ORS 30.260 to 30.460, 6 33.710, 33.720, 200.005 to 200.025, 200.045 to 200.090, 236.605 to 236.640, 276.080, 276.090, 279.835, 7 279.840, 279.850 and 297.040 and ORS chapters 35, 190, 192 and 244 apply to a university with a 8 governing board under the same terms as they apply to public bodies other than the state.

9 "(3) Except as otherwise provided by law, the provisions of ORS 35.550 to 35.575, 180.060,
10 180.210 to 180.235, 184.305 to 184.345, 190.480, 190.490, 200.035, 243.696, 357.805 to 357.895 and
11 656.017 (2) and ORS chapters 182, 183, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291, 292,
12 293, 294, 295 and 297 do not apply to a university with a governing board.

"(4) Notwithstanding subsections (1) and (3) of this section, ORS 240.167, 279C.600 to 279C.625,
279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860,
279C.865, 279C.870 and 292.043 apply to a university with a governing board under the same terms
as they apply to public bodies other than the state.

"(5) Notwithstanding subsection (2) of this section, ORS 190.430 and 192.105 do not apply to a university with a governing board or any organization or other entity described in subsection (1) of this section.

"(6) Except as set forth in subsection (3) of this section, ORS 243.650 to 243.782 apply to a university with a governing board under the same terms as they apply to the state.

"(7) ORS 351.065, 351.067, 351.642, 351.643, 351.644, 351.646, 351.656, 351.658, 352.012 and 352.375 apply to a university with a governing board, except that the board or university shall exercise the responsibilities and authorities of the State Board of Higher Education, the Higher Education Coordinating Commission or the Oregon University System.

26 "(8) A university with a governing board and its agents and employees remain subject to all 27 statutes and administrative rules of this state that create rights, benefits or protections in favor of 28 military veterans, service members and families of service members to the same extent as an agency 29 of this state would be subject to such statutes and administrative rules.

"(9) ORS 351.692, 351.695 and 351.697 apply to a governing board, except that the board has the responsibilities and authorities with respect to the university it governs that the State Board of Higher Education and the Oregon University System have with respect to the public universities identified in ORS 351.011. A university with a governing board may not issue a tax credit certificate under ORS 351.692, 351.695 and 351.697 that will cause the public universities listed in ORS 352.002 to owe the General Fund more than \$6 million at any one time under ORS 351.692, 351.695 and 351.697.

"(10) If state bonds are issued for the benefit of a university with a governing board, the university shall have the powers and duties of a related agency, as defined in ORS 286A.001, to the extent necessary for the issuance of [such] the state bonds and the administration of the proceeds of the state bonds.

41 "(11) If state bonds are issued for the benefit of a university with a governing board un-42 der Article XI-Q of the Oregon Constitution, the university shall have the powers and duties 43 of a project agency, as defined in ORS 286A.816, to the extent necessary for the issuance of 44 the state bonds and the administration of the proceeds of the state bonds.

45 "[(11)] (12) Nothing in this section may be construed so that statutory provisions that are not

1 set forth in this section apply to a university with a governing board.

2 "SECTION 17a. ORS 351.374 is amended to read:

3 "351.374. (1) A university with a governing board:

4 "(a) May issue revenue bonds for any lawful purpose of the university in accordance with ORS 5 chapter 287A.

6 "(b) May issue under ORS 287A.360 to 287A.380 refunding bonds of the same character and 7 tenor as the revenue bonds replaced.

8 "(2) For the purposes of ORS 271.390 and ORS chapter 287A, a university with a governing 9 board is a public body.

"(3) ORS 287A.150 does not apply to revenue bonds issued by a university with a governingboard.

"(4) A university with a governing board:

"(a) May grant leases of real property held by a trustee or lender for a term that ends on the 13date on which all amounts due under the operative documents have been paid, or provision for 14 15payment has been made, or for a term of up to 20 years after the last scheduled payment under the 16 operative documents, whichever is sooner. The leases may grant the trustee or lender the right to evict the university and exclude the university from possession of the real property for the term of 1718 the lease if the university fails to pay when due the amounts scheduled to be paid under the oper-19 ative documents or otherwise defaults under the operative documents. Upon default, the trustee or 20 lender may sublease the real property to third parties and apply any rents to payments scheduled 21to be made under the operative documents.

"(b) May not mortgage, pledge or grant a security interest in, or otherwise encumber, real or personal property that has been pledged or leased to provide security for, or acquired, constructed, improved with, or otherwise directly benefited by, the proceeds of outstanding state bonds, except as provided in ORS 352.113 [(3)] (4).

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"(5) Revenue bonds and other obligations authorized by this section:

27 "(a) Are revenue bonds or obligations of a political subdivision of the State of Oregon.

28 "(b) Are not an indebtedness or obligation of the State of Oregon and are not a charge upon 29 revenue or property of the State of Oregon, except as provided in subsection (4) of this section.

30 "(c) Are not a charge upon any revenue or property of a university with a governing board 31 unless the revenue or property is pledged to secure the revenue bonds or other obligations.

"(d) Are not payable from, and may not be secured by a pledge of or lien on, any amounts a university with a governing board is required to:

34 35 "(A) Deposit with the State Treasurer pursuant to ORS 352.135 (2); or

"(B) Pay to the State Treasurer pursuant to a schedule described in ORS 351.379.

36 "<u>SECTION 18.</u> Sections 19 to 23 of this 2014 Act are added to and made a part of ORS 37 chapter 286A.

38

"<u>SECTION 19.</u> (1) The Legislative Assembly finds that:

"(a) Oregon Health and Science University is a higher education institution and a con structing authority within the meaning of Article XI-G of the Oregon Constitution.

41 "(b) The State of Oregon will benefit from having the State Treasurer issue general ob42 ligation bonds authorized by Article XI-G of the Oregon Constitution for the benefit of the
43 university.

44 "(c) The university may use proceeds of general obligation bonds issued for the 45 university's benefit under Article XI-G of the Oregon Constitution, to acquire, construct,

improve, repair, equip and furnish the OHSU Cancer Institute Project. 1

2 "(d) As part of the university's efforts to provide world-class education, including research, health care and other mission-related programs of the university, the university 3 4 needs buildings, structures and land that:

"(A) Will be used for cancer-related research, clinical care and higher education facilities 5 or operations; and 6

7 "(B) May be used for research, health care or education facilities, programs or ancillary uses constructed, developed or operated in collaboration with other public or private parties. 8 "(2) For purposes of Article XI-G, section 1 (2), of the Oregon Constitution, the Legisla-9 tive Assembly determines that the university is a higher education institution that will be 10 11 benefited by the issuance of general obligation bonds under Article XI-G of the Oregon Con-12stitution.

"(3) For purposes of Article XI-G, section 1 (3), of the Oregon Constitution, the Legisla-13tive Assembly determines that the use of matching funds by the university satisfies the re-14 15quirement that the proceeds of Article XI-G bonds must be matched.

16 "(4) The Legislative Assembly intends that the State Treasurer shall issue and sell the OHSU Cancer Challenge Article XI-G Bonds as soon as practicable after the Oregon De-1718 partment of Administrative Services requests issuance of the bonds for the benefit of the 19 university.

20

"SECTION 20. As used in sections 19 to 23 of this 2014 Act:

21"(1) 'Article XI-G bonds' means general obligation bonds issued under the authority of 22Article XI-G of the Oregon Constitution.

"(2) 'Bond-related costs' means: 23

"(a) The costs of paying the principal of, the interest on and the premium, if any, on the 24 25**OHSU Cancer Challenge Article XI-G Bonds.**

(b) The costs and expenses of issuing, administering and maintaining OHSU Cancer 26 27Challenge Article XI-G Bonds, including the costs and expenses of:

"(A) Redeeming the OHSU Cancer Challenge Article XI-G Bonds. 28

"(B) Paying amounts due in connection with credit enhancement devices or agreements 29 30 for exchange of interest rates.

"(C) Paying the fees, administrative costs and expenses of the State Treasurer, the 31Oregon Department of Administrative Services or Oregon Health and Science University, 3233 including the costs of consultants or advisers retained by the State Treasurer, the department or the university. 34

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"(c) The costs of funding reserves for the OHSU Cancer Challenge Article XI-G Bonds. "(d) Capitalized interest for the OHSU Cancer Challenge Article XI-G Bonds.

"(e) Rebates or penalties due to the United States in connection with the OHSU Cancer 37 38 Challenge Article XI-G Bonds.

"(f) Any other costs or expenses that the State Treasurer, the department or the uni-39 40 versity determines are necessary or desirable in connection with issuing and maintaining the 41 **OHSU Cancer Challenge Article XI-G Bonds.**

42(3) 'Matching funds' means moneys in an aggregate amount totaling at least \$161,490,000 that are available, as required by Article XI-G, section 1 (3), of the Oregon Constitution, to 43 44 the university and that are used by the university to pay costs of the project.

"(4) 'OHSU Cancer Challenge Article XI-G Bonds' means general obligation bonds issued 45

1 or other general obligation indebtedness incurred under the authority of Article XI-G of the

2 Oregon Constitution and sections 19 to 23 of this 2014 Act.

"(5) 'OHSU Cancer Institute Project' or 'project' means the acquisition, construction,
 improvement, repair, equipping and furnishing of buildings, structures or lands that:

"(a) May be constructed or developed in collaboration with other entities;

"(b) Are owned, leased or occupied, in whole or in part, by the university; and

"(c) Contain facilities used directly for or in furtherance of:

8 "(A) The purposes of health care, cancer-related research, cancer-related clinical care 9 or cancer-related higher education, including clinical laboratory, clinical trial, wet labora-10 tory, research administration or other research-related purposes; and

"(B) Any other higher education, administration, research, non-research or ancillary
 purposes.

¹³ "<u>SECTION 21.</u> (1) In the biennium beginning July 1, 2013, or in the biennium beginning July 1, 2015, the State Treasurer, at the request of the Oregon Department of Administrative Services, may issue Article XI-G bonds, as provided in this chapter, in an amount not to exceed \$161,490,000 in net proceeds for the purpose of financing the project, plus an amount determined by the State Treasurer to pay estimated bond-related costs.

"(2) OHSU Cancer Challenge Article XI-G 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 OHSU Cancer Challenge Article XI-G Bonds. The State of Oregon shall pledge its full faith and credit and taxing power, including the ad valorem taxing power, to pay the principal of, the interest on and the premium, if any, on the bonds.

24 "(3) The proceeds of bonds issued under this section are appropriated to the State 25 Treasurer for the payment of bond-related costs and for transfer to the department.

26 "(4) The State Treasurer shall transfer net proceeds and interest earnings in an amount 27 equal to \$161,490,000 to the department to be granted to Oregon Health and Science Univer-28 sity upon satisfaction of terms and conditions in the grant agreement required by section 29 22 of this 2014 Act.

30 "<u>SECTION 22.</u> (1) Before the State Treasurer may issue the OHSU Cancer Challenge
 31 Article XI-G Bonds:

"(a) The Oregon Department of Administrative Services and Oregon Health and Science
 University must enter into a grant agreement in which the parties:

"(A) Establish terms and conditions related to the grant, disbursement and use of
 \$161,490,000 in net proceeds of the OHSU Cancer Challenge Article XI-G Bonds and interest
 earnings; and

"(B) Provide for granting of \$161,490,000 to the university upon satisfaction of the terms
 and conditions imposed in the grant agreement.

39 "(b) The department must certify to the State Treasurer that the grant agreement has 40 been entered into between the department and the university and that the university has 41 certified to the department that the university has:

42 "(A) Satisfied all material conditions precedent to its receipt of the matching funds; and
43 "(B) Satisfied all material conditions precedent to its receipt of at least \$800 million in
44 gifts and legally irrevocable pledges.

45 "(2) The terms and conditions of the grant agreement may:

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- 1 "(a) Impose restrictions on the use of the grant.
- 2 "(b) Require that the \$161,490,000 in bond proceeds be granted directly to a trustee or 3 escrow agent.
- 4 "(c) Impose other requirements that the department determines are in the best interest 5 of the State of Oregon as necessary to:
- 6 "(A) Issue, sell or preserve the tax-exempt status, if any, of the OHSU Cancer Challenge 7 Article XI-G Bonds; and

8 **"(B) Administer the grant.**

9 "(3) The department shall transfer the grant to the university when the department is 10 satisfied that the university has complied, or will comply, with all of the terms and condi-11 tions imposed by Article XI-G of the Oregon Constitution, sections 19 to 23 of this 2014 Act 12 and the grant agreement required by this section.

13 "(4) Subject to the approval of the State Treasurer, the department may:

14 "(a) Enter into agreements with a trustee or escrow agent regarding the disbursement 15 and use of the moneys granted to the university; and

"(b) Transfer the moneys granted to the university directly to a trustee or escrow agent.
 "(5) ORS 351.450, 351.455 and 351.460 do not apply to OHSU Cancer Challenge Article XI-G
 Bonds or to Oregon Health and Science University in connection with the bonds.

19 "<u>SECTION 23.</u> (1) For each biennium in which any part of the OHSU Cancer Challenge 20 Article XI-G Bonds remain outstanding, the Oregon Department of Administrative Services 21 shall request that the Governor include in the Governor's recommended budget to the Leg-22 islative Assembly an amount that is sufficient to pay the bond-related costs that become due 23 in the biennium.

24 "(2) The Legislative Assembly shall appropriate to the Oregon Department of Adminis-25 trative Services any moneys made available to pay bond-related costs.

26 "(3) Oregon Health and Science University is not obligated to pay the bond-related costs 27 of the OHSU Cancer Challenge Article XI-G Bonds.

28 "<u>SECTION 24.</u> The Oregon Health and Science University shall report annually to a 29 committee or interim committee of the Legislative Assembly, as appropriate, with subject 30 matter jurisdiction over economic development, business and industry, regarding the nature 31 and number of new and ongoing jobs created at the university in connection with the oper-32 ation of the OHSU Cancer Institute.

33

"SECTION 25. Section 24 of this 2014 Act is repealed on January 2, 2024.

34 "<u>SECTION 26.</u> (1) The Oregon Health and Science University and the Oregon Business 35 Development Department shall collaborate to develop a plan that includes but is not limited 36 to policy recommendations and recommendations for legislation, to encourage private sector 37 development in Oregon of technologies related to cancer-related health care, education, re-38 search, developments and discoveries provided or made in connection with the operation of 39 the OHSU Cancer Institute.

40 "(2) The university and department shall report to the Legislative Assembly on the plan
41 developed pursuant to subsection (1) of this section to the 2015 regular session of the Legis42 lative Assembly in the manner prescribed by ORS 192.245.

43 "<u>SECTION 27.</u> (1) Notwithstanding the provisions of ORS 279A.025 (2)(a)(B) and 353.100 44 (2):

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"(a) For the purposes of this subsection, the Oregon Health and Science University is a

public agency, as defined in ORS 279C.800, and the OHSU Cancer Institute Project, as defined
 in section 20 of this 2014 Act, is a public works, as defined in ORS 279C.800;

"(b) The provisions of ORS 279C.800, 279C.810, 279C.825, 279C.827, 279C.829, 279C.830, 3 279C.835, 279C.836, 279C.838, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865 and 4 279C.870 apply to any construction, reconstruction, major renovation or painting that the 5 Oregon Health and Science University performs or contracts to perform in connection with 6 7 the OHSU Cancer Institute Project or that any not-for-profit organization or other entity the 8 university owns exclusively or creates to advance any of the university's statutory missions performs or contracts to perform in connection with the OHSU Cancer Institute Project; and 9 "(c) The provisions of ORS 279C.800, 279C.810, 279C.825, 279C.827, 279C.829, 279C.830, 10 279C.835, 279C.836, 279C.838, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865 and 11 12279C.870 apply to any construction, reconstruction, major renovation or painting that occurs in connection with the OHSU Cancer Institute Project, with or without using funds of a 13public agency, on real property that the Oregon Health and Science University owns, or on 14 15real property owned by any not-for-profit organization or other entity the university owns 16 exclusively or creates to advance any of the university's statutory missions.

"(2) In all contracts for constructing, reconstructing, renovating or painting any im-1718 provement to real property in connection with the OHSU Cancer Institute Project, the 19 Oregon Health and Science University shall provide that each contractor shall employ ap-20prentices in apprenticeable occupations to perform work on the OHSU Cancer Institute 21Project on the same terms, at the same rates of wage and for the same percentage of the 22total hours worked that the university requires in the university's other contracts for con-23struction services. The university shall provide in the university's contracts for constructing, reconstructing, renovating or painting improvements to real property in connection with 24 25the OHSU Cancer Institute Project that each contractor include the requirements set forth 26in this subsection in the contractor's contracts with subcontractors.

"(3) The Oregon Health and Science University shall consult with the Department of Environmental Quality to establish a set of criteria for giving a preference in awarding contracts in connection with the OHSU Cancer Institute Project to contractors that minimize emissions from diesel fuel to the greatest extent possible.

"(4) The Oregon Health and Science University may seek Leadership in Energy and Environmental Design certification for any improvement to real property in connection with the OHSU Cancer Institute Project. The university shall pay the costs associated with obtaining a certification from the United States Green Building Council from university funds other than the proceeds of OHSU Cancer Challenge XI-G Bonds, as defined in section 20 of this 2014 Act, or the proceeds of the lottery bonds described in section 12 of this 2014 Act.

37 "(5)(a) On or before each date on which the Legislative Assembly convenes in regular 38 session, the Oregon Health and Science University, in a report to the Legislative Assembly, 39 shall identify the geographical origin of each contractor, subcontractor or other vendor that 40 performs construction work in connection with the OHSU Cancer Institute Project. For 41 purposes of this subsection, a contractor's, subcontractor's or vendor's geographical origin 42means the city or county and state in which the contractor, subcontractor or vendor maintains a headquarters or, if the location of the headquarters is not available, the state in 43 44 which the contractor, subcontractor or vendor is incorporated or the city, county, state or 45 other region in which the contractor, subcontractor or vendor conducts the majority of the

1 contractor's, subcontractor's or vendor's business operations.

"(b) The Oregon Health Science University shall continue to report to the Legislative
Assembly as provided in paragraph (a) of this subsection until construction on the OHSU
Cancer Institute Project is complete or until December 31, 2018, whichever date is later.

5 "<u>SECTION 28.</u> The Oregon Health and Science University shall report to each regular 6 session of the Legislative Assembly, in the manner prescribed by ORS 192.245, the number 7 and geographic distribution of Oregon residents who participated in clinical trials associated 8 with the OHSU Cancer Institute during the previous 12-month period.

9 "<u>SECTION 29.</u> The Oregon Health and Science University shall report to the 2015 regular 10 session of the Legislative Assembly, in the manner prescribed by ORS 192.245, on the poten-11 tial for increasing patient access to clinical trials associated with the OHSU Cancer Institute 12 in areas of this state outside of the Portland metropolitan area.

13 "SECTION 30. (1) Section 28 of this 2014 Act is repealed on January 2, 2024.

"(2) Section 29 of this 2014 Act is repealed on the convening of the 2015 regular session
 of the Legislative Assembly as specified in ORS 171.010.

"<u>SECTION 31.</u> This 2014 Act being necessary for the immediate preservation of the public
 peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect
 on its passage.".

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