

# House Bill 2733

Sponsored by Representative READ, Senator DEVLIN (Pre-session filed.)

## SUMMARY

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

Establishes Oregon Investment Department as public investment agency to be supervised by director appointed by Oregon Investment Council. Specifies duties, functions and powers of department. Transfers duties of State Treasurer as investment officer to department.

Establishes Oregon Investment Department Fund. Continuously appropriates moneys in fund to department for expenses of department and council.

Exempts department and council from certain laws regulating governmental entities.

Directs department to submit biennial budget to Legislative Assembly. Specifies that budget takes effect unless Legislative Assembly enacts changes to budget by June 1 of odd-numbered year. Directs Governor to consult with State Treasurer regarding appointees to council. Directs Legislative Assembly to review results of implementation of Act at 2021 regular session.

Designates State Treasurer as vice chairperson of council. On January 1, 2017, designates State Treasurer as chairperson of council.

Directs department to report annually to Legislative Assembly and Governor regarding investment funds investment program and annual costs incurred by department.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to public investments; creating new provisions; amending ORS 128.316, 173.500, 192.490,  
3 192.502, 238A.050, 243.401, 243.421, 243.426, 243.472, 243.474, 243.476, 243.478, 243.482, 244.020,  
4 244.045, 244.047, 244.050, 244.055, 246.590, 273.413, 276.013, 276.015, 276.110, 285A.306, 285A.654,  
5 285B.119, 286A.025, 286A.145, 293.353, 293.701, 293.708, 293.711, 293.714, 293.718, 293.726, 293.728,  
6 293.733, 293.734, 293.746, 293.751, 293.771, 293.776, 293.778, 293.790, 293.793, 293.796, 293.819,  
7 293.825, 293.828, 293.832, 293.839, 293.841, 293.843, 293.847, 293.857, 294.035, 294.805, 294.810,  
8 294.820, 294.825, 294.840, 294.845, 294.855, 294.860, 294.865, 294.870, 294.875, 294.880, 294.882,  
9 294.895, 295.101, 311.701, 327.425, 351.086, 351.695, 367.015, 390.135, 391.520, 391.605, 391.800,  
10 411.128, 426.506, 456.530, 456.535, 456.543, 468.215, 468A.490, 496.350, 516.070, 541.942, 561.144,  
11 696.030 and 757.738; repealing ORS 293.706, 293.716, 293.731, 293.736, 293.741, 293.756, 293.761,  
12 293.766, 293.780, 293.861, 293.863, 294.831, 294.847 and 294.850; and declaring an emergency.

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

14 **SECTION 1. Sections 2 to 10 of this 2015 Act are added to and made a part of ORS 293.701**  
15 **to 293.857.**

16 **SECTION 2. Oregon Investment Department established; director; appointment; rules;**  
17 **fees.** (1) **The Oregon Investment Department is established as a public investment agency.**

18 (2) **The department shall be under the supervision of a director appointed by the Oregon**  
19 **Investment Council. The Director of the Oregon Investment Department serves at the**  
20 **pleasure of the council and shall be paid a salary as prescribed by the council.**

21 (3) **Before assuming the duties of the office, the director shall:**

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

**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 be paid by the Oregon Investment Department.

2 (b) Subscribe to an oath that the director will faithfully and impartially discharge the  
 3 duties of the office and that the director will support the Constitution of the United States  
 4 and the Constitution of the State of Oregon. The director shall file a copy of the signed oath  
 5 with the Secretary of State.

6 (4) The director has the powers necessary to carry out the duties of the department,  
 7 subject to policy direction or approval of the council as provided in sections 2 to 10 of this  
 8 2015 Act, including but not limited to the power to employ, supervise and terminate the  
 9 employment of department staff as the director considers necessary. The director, subject  
 10 to ORS chapter 180, shall prescribe the duties and fix the compensation of the department's  
 11 employees, in accordance with the personnel policies adopted by the department.

12 (5) The department may adopt rules to carry out its duties, including but not limited to  
 13 rules regarding:

- 14 (a) Administration;
- 15 (b) Contracting;
- 16 (c) Enforcement; and
- 17 (d) Fees and charges.

18 **SECTION 3. Powers and duties of the Oregon Investment Department.** (1) The Oregon  
 19 Investment Department shall exercise and carry out statewide all the powers, rights and  
 20 privileges that are expressly conferred upon the department, are implied by law or are inci-  
 21 dent to such powers. Except as provided in ORS 293.701 to 293.857, nothing in ORS 293.701  
 22 to 293.857 is intended to affect the powers and duties of the State Treasurer otherwise pro-  
 23 vided by law or under the Oregon Constitution.

24 (2) The mission of the department is to invest the investment funds and any other mon-  
 25 eys it is charged by law with investing.

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

27 (a) Invest and reinvest moneys in the investment funds or any other moneys the de-  
 28 partment is charged by law with investing, except that the moneys deposited in the Oregon  
 29 Short Term Fund under ORS 293.701 (2)(n) shall be invested by the State Treasurer or, at the  
 30 request of the State Treasurer, by the department. In furtherance of the investing, the de-  
 31 partment may acquire, retain, manage and dispose of as investments every kind of invest-  
 32 ment that persons of prudence, discretion and intelligence acquire, retain, manage and  
 33 dispose of for their own financial interest.

34 (b) Enter into contracts and acquire, hold, own, encumber, issue, replace, deal in and  
 35 with and dispose of real and personal property for the department's own proprietary interest.

36 (c) Except as provided in ORS chapter 180, employ persons as the department or Oregon  
 37 Investment Council determines necessary or desirable to carry out the mission and powers  
 38 of the department.

39 (d) Subject to ORS chapter 180, enter into contracts with advisors, service providers or  
 40 others as the department determines necessary or desirable to carry out its mission and  
 41 powers, including but not limited to entering into contracts with one or more persons who  
 42 may, in lieu of or in addition to the department, perform discretionary investment manage-  
 43 ment or other functions to the extent provided in the contract.

44 (e) Collect the principal and interest or other income of investments when due and pay-  
 45 able, and shall pay the principal and interest or other income, when so collected, into the

1 appropriate fund. Except as otherwise provided by law, interest or other income of the funds  
 2 invested for state agencies shall be paid into the General Fund as provided in ORS 293.140  
 3 to be available for the payment of general governmental expenses.

4 (f) Exercise any shareholder or other voting rights in connection with an investment.

5 (g) For and on behalf of the Public Employees Retirement System and Public Employees  
 6 Retirement Board, enter into group annuity contracts with one or more insurance companies  
 7 authorized to do business in this state. In lieu of any investment of moneys in the Public  
 8 Employees Retirement Fund, the department may make payments from time to time under  
 9 such annuity contracts using any moneys in that fund available for investment purposes.

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

13 (a) Accept for exchange purposes refunding bonds or other evidences of indebtedness at  
 14 interest rates agreed upon by the department and the obligor.

15 (b) Make compromises, adjustments or disposition of the matured or future principal or  
 16 interest or other income of an investment as the department considers advisable for the  
 17 purpose of protecting the moneys invested.

18 (c) Take such other actions as the department considers necessary or appropriate.

19 (5) The provisions of ORS 293.235, 293.240 and 293.245 do not apply to collection of the  
 20 principal or interest or other income of investments. Any class action lawsuit or other legal  
 21 proceeding filed with, or on behalf of, other corporate shareholders or investors to protect  
 22 the moneys invested by the department or to otherwise benefit the invested moneys must  
 23 be brought by the Attorney General in the name of the State Treasurer as custodian of the  
 24 moneys deposited in the State Treasury.

25 (6) The department shall follow generally accepted accounting practices, record the indi-  
 26 vidual amounts and the totals of all investments and provide to the officer or body control-  
 27 ling and administering the invested moneys any information necessary for financial reporting  
 28 required by law. The department shall separately identify investments held in the Oregon  
 29 Growth Account created in ORS 348.702 as part of the information provided on the Education  
 30 Stability Fund.

31 (7) The department shall provide administrative staff for, consult with and appear before  
 32 the council as necessary or desirable to accomplish the respective duties of the department  
 33 and council.

34 (8) The department shall adopt personnel policies, subject to ORS 236.605 to 236.640, for  
 35 employees of the department who are transferred from the office of the State Treasurer or  
 36 from any other state agency. The department shall fully reimburse the State Treasurer or  
 37 any other agency for any costs associated with the transfer of personnel to the department.

38 (9)(a) The department, with the approval of the council, shall adopt a budget for the de-  
 39 partment on a biennial basis using classifications of expenditures and revenues required by  
 40 generally accepted accounting principles applicable to governmental entities. Not later than  
 41 February 15 of each odd-numbered year, the department shall submit the budget to the  
 42 Legislative Assembly for review. The budget adopted by the department takes effect unless  
 43 the Legislative Assembly enacts changes to the budget by June 1 of the odd-numbered year.  
 44 The department is not required to seek expenditure limitation approval from the Legislative  
 45 Assembly for the department to spend any available moneys.

1 (b) The budget shall be adopted at a regularly scheduled public meeting of the council.  
 2 The department may modify a budget only with the approval of the council in a public  
 3 meeting. Not less than 30 days before adopting a budget under this paragraph, the depart-  
 4 ment shall send a copy of the proposed budget to the President of the Senate, the Speaker  
 5 of the House of Representatives and the cochairs of the Joint Committee on Ways and Means  
 6 during the period when the Legislative Assembly is in session, or to the cochairs of the Joint  
 7 Interim Committee on Ways and Means during the interim period between sessions.

8 (c) The department shall follow generally accepted accounting principles and keep finan-  
 9 cial and statistical information as necessary to completely and accurately disclose the fi-  
 10 nancial condition and financial operations of the department.

11 (d) The department shall prepare, or cause to be prepared, an annual financial statement  
 12 of department revenues and expenses and shall make the statement available for public re-  
 13 view. The statement must include the annual costs incurred by the department and the  
 14 council for the management of the investment funds and any other moneys the department  
 15 is charged by law with investing. The department shall provide a copy of the statement to  
 16 the council, the Governor and the Legislative Assembly not later than the 180th day after  
 17 the end of the state fiscal year.

18 (10) In carrying out the duties, functions and powers of the department or council, the  
 19 department may contract with any state agency the department considers appropriate, in-  
 20 cluding but not limited to the office of the State Treasurer. A state agency may charge the  
 21 department reasonable fees and expenses in connection with providing personnel, equipment,  
 22 facilities, space and other support to the department.

23 (11) In addition to the services provided under ORS 293.857 and 294.805 to 294.895, the  
 24 department may provide services to other governmental entities, including governmental  
 25 entities of other states, for a reasonable fee intended to cover the department's expenses in  
 26 connection with the services.

27 (12) In addition to audits that may be conducted pursuant to the constitutional duties  
 28 and authority of the Secretary of State to audit public accounts, the department may con-  
 29 duct independent audits with internal auditors or outside independent auditors, if the audits  
 30 are considered advisable by the department or are requested by the council. Except for the  
 31 filing requirement under ORS 297.250, the audits are subject to the exclusive discretion and  
 32 control of the department. The audits are subject to disclosure pursuant to ORS 192.410 to  
 33 192.505.

34 **SECTION 4. State Treasurer investment of moneys in Oregon Short Term Fund; manner**  
 35 **and powers.** When the State Treasurer, in lieu of the Oregon Investment Department, in-  
 36 vests moneys in the Oregon Short Term Fund as described in section 3 (3)(a) of this 2015  
 37 Act, the State Treasurer may invest moneys in the fund in the same manner and with the  
 38 same powers as provided by law for the department.

39 **SECTION 5. Oregon Investment Council; appointment; term of office.** (1) There is created  
 40 the Oregon Investment Council, consisting of five voting members and one nonvoting mem-  
 41 ber.

42 (2) The Governor shall appoint four voting members, subject to Senate confirmation in  
 43 the manner provided in ORS 171.562 and 171.565, to the council. Before appointing a member  
 44 under this subsection, the Governor shall consult with the State Treasurer regarding the  
 45 proposed appointee. The members appointed by the Governor must be qualified by training

1 and experience in the field of investment or finance. The term of office of each appointed  
 2 member is four years, but each appointed member serves at the pleasure of the Governor  
 3 and may be removed from office with or without cause. A vacancy in the appointed mem-  
 4 bership occurring other than by expiration of term shall be filled in the same manner as the  
 5 original appointment, but for the unexpired term only.

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

10 (4) The State Treasurer shall be the fifth voting member of the council.

11 (5) The Director of the Public Employees Retirement System shall be an ex officio  
 12 member of the council with no voting power.

13 (6) Each member appointed by the Governor shall hold office until a successor is ap-  
 14 pointed or until an earlier resignation or removal. Before the expiration of the term of an  
 15 appointed member, the Governor shall appoint a successor.

16 (7) Any member appointed by the Governor may resign at any time upon written notice  
 17 to the Governor. A resignation takes effect at the time specified in the notice. If a time is  
 18 not specified in the notice, the resignation is effective at the time the notice is received by  
 19 the Governor. Acceptance by the Governor of a resignation is not necessary to make the  
 20 resignation effective.

21 **SECTION 6. Powers and duties of the Oregon Investment Council.** (1) The Oregon In-  
 22 vestment Council shall adopt policies for the investment and reinvestment of moneys in-  
 23 vested by the Oregon Investment Department and for the acquisition, retention,  
 24 management and disposition of the investments with the objective of making the moneys as  
 25 productive as possible, subject to applicable fiduciary standards, including but not limited to  
 26 ORS 238.660, 238A.025, 293.721 and 293.726. The council, from time to time, shall review the  
 27 policies and make changes as it considers necessary or desirable.

28 (2) Consistent with ORS 293.721 and 293.726 and the duties of the council and the de-  
 29 partment as fiduciaries for beneficiaries of the investment funds, the council shall adopt a  
 30 code of ethics applicable to the council, the department and agents of the council and de-  
 31 partment, that is based on the best practices in the investment industry and reflects the  
 32 unique position of trust and loyalty in which the council, department and their agents are  
 33 placed in the investment of public and private moneys. At a minimum, the code shall require  
 34 individuals acting for the council or department in the conduct of the duties to:

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

36 (b) Act for the benefit of the State of Oregon and the public and private beneficiaries of  
 37 the funds entrusted to the council or department for investment;

38 (c) Act with independence and objectivity;

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

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

43 **SECTION 7. Criminal records check; fingerprints required; persons subject to require-**  
 44 **ment.** For the purpose of requesting a state or nationwide criminal records check under ORS  
 45 181.534, the Oregon Investment Department may require the fingerprints of a person who:

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

2 (2) Is, or will be, providing services to the department or the Oregon Investment Council  
3 in a position:

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

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

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

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

14 (e) In which the person has responsibility for auditing the department or the council;

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

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

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

20 **SECTION 8. Oregon Investment Department and Oregon Investment Council exempt**  
21 **from certain laws.** (1) Except as otherwise provided by law, the provisions of ORS 184.360 and  
22 279.835 to 279.855 and ORS chapters 182, 240, 270, 273, 276, 279A, 279B, 279C, 282, 283, 291, 292  
23 and 293 do not apply to the Oregon Investment Department or the Oregon Investment  
24 Council.

25 (2) Notwithstanding subsection (1) of this section, ORS 182.100, 182.109, 240.167, 279A.100,  
26 293.115, 293.117, 293.130, 293.169, 293.171, 293.205 to 293.225, 293.250, 293.265 to 293.280, 293.285,  
27 293.295, 293.321, 293.353, 293.375, 293.406, 293.465 to 293.485, 293.490, 293.495, 293.525, 293.701 to  
28 293.857, 293.875, 293.880 and 293.990 and ORS chapter 180 apply to the department and council.

29 (3) The department and council are integral parts of the State of Oregon, but are not  
30 subject to any provision of law enacted after January 1, 2015, with respect to any state  
31 agency or other governmental entity, that is unique to state agencies or governmental enti-  
32 ties, unless the enacted provision:

33 (a) Specifically provides that it applies to the department or council; or

34 (b) Relates to a provision of law identified in subsection (2) of this section.

35 **SECTION 9.** The Oregon Investment Department Fund is established in the State  
36 Treasury, separate and distinct from the General Fund. Moneys deducted and fees charged  
37 under ORS 293.718 shall be paid to the Oregon Investment Department Fund. Interest earned  
38 by the fund shall be credited to the fund. Moneys in the fund are continuously appropriated  
39 to the Oregon Investment Department for the payment of expenses of the department and  
40 the Oregon Investment Council.

41 **SECTION 10.** Sections 2 to 10 of this 2015 Act may be cited as the Investment Modern-  
42 ization Act of 2015.

43 **SECTION 11.** The Legislative Assembly, at the 2021 regular legislative session, shall  
44 conduct a comprehensive review of the results of the implementation of this 2015 Act. The  
45 review must include consideration of the effectiveness of legislative oversight of the budget

1 of the Oregon Investment Department, whether this 2015 Act has resulted in cost savings  
 2 for the State of Oregon and the effect of this 2015 Act on the performance of the investment  
 3 funds investment program of the department.

4 **SECTION 12.** Section 13 of this 2015 Act is added to and made a part of ORS 192.410 to  
 5 192.505.

6 **SECTION 13.** (1) ORS 192.450 applies when a person is denied the right to inspect or re-  
 7 ceive a copy of a public record of the Oregon Investment Department or the Oregon Invest-  
 8 ment Council.

9 (2) Notwithstanding subsection (1) of this section, the State Treasurer may make a de-  
 10 termination pursuant to ORS 192.480 denying the right of any person to inspect or receive a  
 11 copy of any public record of the department or council. Upon issuance of the determination,  
 12 any proceedings against the department or council with respect to disclosure of records  
 13 subject to the determination are permanently stayed. A party requesting disclosure of re-  
 14 cords of the department or council subject to a determination by the State Treasurer pur-  
 15 suant to this section may seek review of the determination in the manner allowed in ORS  
 16 192.480.

17 **SECTION 14.** ORS 293.701 is amended to read:

18 293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

19 (1) "Council" means the Oregon Investment Council.

20 (2) "Investment funds" means:

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

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

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

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

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

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

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

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

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

32 (j) Oregon War Veterans' Fund referred to in ORS 407.495;

33 (k) Oregon War Veterans' Bond Sinking Account referred to in ORS 407.515;

34 (L) World War II Veterans' Compensation Fund;

35 (m) World War II Veterans' Bond Sinking Fund;

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

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

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

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

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

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

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

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

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

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

5 [(3) "Investment officer" means the State Treasurer in the capacity as investment officer for the  
6 council.]

7 **SECTION 15.** ORS 293.711 is amended to read:

8 293.711. (1) Except as provided in subsection (2) of this section, a member of the Oregon In-  
9 vestment Council is entitled to compensation and expenses as provided in ORS 292.495.

10 (2) A member of the council who is also a member of the Public Employees Retirement Board  
11 is entitled to compensation and expenses as provided in ORS 238.640 (7) and (8).

12 (3) The council shall select one of its members as chairperson, for a term and with powers and  
13 duties necessary for the performance of the functions of the office as the council determines. **The  
14 State Treasurer shall serve as vice chairperson of the council.**

15 (4) A person may not serve as chairperson of the council for more than four years in any 12-year  
16 period.

17 **SECTION 16.** ORS 293.711, as amended by section 15 of this 2015 Act, is amended to read:

18 293.711. (1) Except as provided in subsection (2) of this section, a member of the Oregon In-  
19 vestment Council is entitled to compensation and expenses as provided in ORS 292.495.

20 (2) A member of the council who is also a member of the Public Employees Retirement Board  
21 is entitled to compensation and expenses as provided in ORS 238.640 (7) and (8).

22 (3) [*The council shall select one of its members as chairperson, for a term and with powers and  
23 duties necessary for the performance of the functions of the office as the council determines.*] The State  
24 Treasurer shall serve as [*vice chairperson*] **chairperson** of the council.

25 [(4) A person may not serve as chairperson of the council for more than four years in any 12-year  
26 period.]

27 **SECTION 17. The amendments to ORS 293.711 by section 16 of this 2015 Act become op-  
28 erative January 1, 2017.**

29 **SECTION 18.** ORS 293.714 is amended to read:

30 293.714. (1) Notwithstanding ORS 192.650 (1) and (2), full sound recordings shall be made of ev-  
31 ery meeting of the Oregon Investment Council. The full sound recordings shall be produced on  
32 equipment selected by the [*Oregon Investment Council*] **council** for compatibility with equipment for  
33 reproduction by the State Archives.

34 (2) The council shall maintain a written log of each sound recording that gives a true reflection  
35 of the matters discussed at the meeting and where those matters are found on the sound recording.

36 [(3) *Notwithstanding ORS 192.650 (1), the council shall make the full sound recording and written  
37 log of each sound recording of each meeting available to the public prior to the next regularly sched-  
38 uled meeting of the council.*]

39 **SECTION 19.** ORS 293.718 is amended to read:

40 293.718. (1) As payment for expenses of the [*investment officer*] **Oregon Investment Depart-  
41 ment and the Oregon Investment Council**, the [*State Treasurer*] **department** may deduct [*monthly  
42 a maximum of 0.25 basis points of the most recent market value of assets under management for each  
43 of the investment funds*] **from the gross income on assets under management an amount rea-  
44 sonably expected to reimburse expenses. The net income of the investments after deductions  
45 shall be considered income of the investment funds. The department may charge a fee de-**



1 **terminated by the department for management of other funds invested by the department. The**  
 2 **department shall deposit amounts deducted and fees charged under this subsection in the**  
 3 **Oregon Investment Department Fund established under section 9 of this 2015 Act.**  
 4 *[However,]*

5 (2) For the funds described in ORS 293.701 (2)(n), **the State Treasurer may deduct** a maximum  
 6 of 0.435 basis points *[may be deducted monthly]* **each month.** Amounts *[so]* deducted **under this**  
 7 **subsection** shall be deposited into the Miscellaneous Receipts Account established in the General  
 8 Fund for the State Treasurer, and are continuously appropriated for payment of the expenses of the  
 9 State Treasurer *[as investment officer]* **related to the investment of and accounting for the**  
 10 **Oregon Short Term Fund and any other commingled investment vehicle that the State**  
 11 **Treasurer invests.**

12 **SECTION 20.** ORS 293.726 is amended to read:

13 293.726. (1) *[The investment funds shall be invested and the investments of those funds managed*  
 14 *as]* **Consistent with investment policies adopted by the Oregon Investment Council under**  
 15 **section 6 of this 2015 Act, the Oregon Investment Department shall invest the investment**  
 16 **funds and any other moneys the department is charged by law with investing, except that**  
 17 **the moneys deposited in the Oregon Short Term Fund under ORS 293.701 (2)(n) shall be in-**  
 18 **vested by the department only at the request of the State Treasurer. The council shall es-**  
 19 **tablish and oversee implementation of the council's investment policies. The department and**  
 20 **the State Treasurer shall manage the investments under their management as a prudent in-**  
 21 **vestor would do, under the circumstances then prevailing and in light of the purposes, terms, dis-**  
 22 **tribution requirements and laws governing each investment fund or other moneys.**

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

28 (3) In making and implementing investment decisions, the *[Oregon Investment Council and the*  
 29 *investment officer have]* **department, the council and the State Treasurer have** a duty to diversify  
 30 the investments of the investment funds **or other moneys** unless, under the circumstances, it is not  
 31 prudent to do so.

32 (4) In addition to the duties stated in subsection (3) of this section, the *[council and the invest-*  
 33 *ment officer]* **department, the council and the State Treasurer, and the agents of the depart-**  
 34 **ment, council or State Treasurer,** must:

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

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

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

40 (5) The duties *[of the council and the investment officer under]* **described in** this section are  
 41 subject to contrary provisions of privately created public trusts the assets of which by law are made  
 42 investment funds **or are otherwise invested by the department or the State Treasurer.** Within  
 43 the limitations of the standard stated in subsection (1) of this section and subject to subsection (6)  
 44 of this section, there may be acquired, retained, managed and disposed of as investments of the in-  
 45 vestment funds **or other moneys** every kind of investment *[which]* **that** persons of prudence, dis-

1 cretion and intelligence acquire, retain, manage and dispose of for their own account.

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

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

11 **SECTION 21.** ORS 293.728 is amended to read:

12 293.728. (1) The Oregon Short Term Fund is established in the State Treasury as a commingled  
13 investment vehicle for investment funds and the moneys described in subsection (2) of this section.  
14 Interest earned by the Oregon Short Term Fund shall be credited to the participating investor funds  
15 or accounts in the fund in proportion to the amount invested.

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

20 *[(3) Moneys in the fund may be transferred as provided in ORS 293.205 to 293.225. The State*  
21 *Treasurer is the officer in charge of the fund for purposes of ORS 293.220 and shall determine the*  
22 *interest rate to be charged until the moneys are retransferred to the fund. The interest rate may not*  
23 *be less than the rate specified in ORS 293.220.]*

24 **(3) Moneys in the fund may be transferred as provided in ORS 293.205 to 293.225. For any**  
25 **transfers to the General Fund, the State Treasurer is the officer in charge of the borrowing**  
26 **fund. The interest rate to be charged in any agreements entered into under ORS 293.220 for**  
27 **a transfer from the Oregon Short Term Fund shall be based on a rate calculated by the State**  
28 **Treasurer, or by the Oregon Investment Department if it is investing the fund, that ap-**  
29 **proximates the return that would have been earned by the Oregon Short Term Fund while**  
30 **the moneys are loaned, plus any amounts necessary to recover the costs of the loan. The**  
31 **interest rate may not be less than the rate specified in ORS 293.220.**

32 **SECTION 22.** ORS 293.733 is amended to read:

33 293.733. (1) In making and implementing investment decisions related to venture capital, the  
34 Oregon Investment Council and the [*investment officer have a duty to*] **Oregon Investment De-**  
35 **partment must** look first at Oregon opportunities for diversification unless, under the circum-  
36 stances, it is not prudent to do so.

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

39 (3) As used in this section:

40 (a) "Emerging growth business" means an individual or group of individuals or a new or small  
41 company, including but not limited to any new or small partnership, limited liability company, cor-  
42 poration, firm, association or other business entity, that has the capacity, upon obtaining appropri-  
43 ate capital, to generate significant high-skill, high-wage employment.

44 (b) "Venture capital" includes but is not limited to emerging growth businesses.

45 **SECTION 23.** ORS 293.734 is amended to read:

1       293.734. The Oregon Investment [Council] **Department** shall submit an annual report to the  
 2 **Oregon Investment Council, the Governor, the Speaker of the House of Representatives and the**  
 3 **President of the Senate** detailing the investments and commitments made by the [council] **depart-**  
 4 **ment** in accordance with ORS 293.733.

5       **SECTION 24.** ORS 293.746 is amended to read:

6       293.746. [(1)] In the acquisition or disposition of bonds with which approving legal opinions or-  
 7 dinarily are furnished, the [investment officer] **Oregon Investment Department, or the State**  
 8 **Treasurer when investing the Oregon Short Term Fund**, may require an original or certified  
 9 copy of the written opinion of a reputable bond attorney or attorneys, or the written opinion of the  
 10 Attorney General, certifying to the legality of the bonds.

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

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

20       **SECTION 25.** ORS 293.751 is amended to read:

21       293.751. [(1)] Except as provided in [ORS 293.741 and this subsection] **this section**, all instru-  
 22 ments of title of all investments of the investment funds **or any other moneys the Oregon In-**  
 23 **vestment Department is charged by law with investing** shall remain in the custody of the  
 24 [investment officer. *The investment officer*] **department. The instruments of title for investments**  
 25 **of the Oregon Short Term Fund shall be held by the State Treasurer when the State Treas-**  
 26 **urer invests the fund. The department, or the State Treasurer for the Oregon Short Term**  
 27 **Fund**, may deposit **instruments of title** with one or more custodial agents or banks [*those instru-*  
 28 *ments of title that the State Treasurer considers advisable*], to be held in safekeeping by the agents  
 29 or banks for collection of the principal and interest or other income, or of the proceeds of sale or  
 30 maturity. For purposes of this section, instruments of title [*of investments of the investment funds*]  
 31 may include such evidence of title as the [*investment officer shall consider*] **department or State**  
 32 **Treasurer considers** secure and consistent with modern investment, banking and commercial  
 33 practices, and may include book entry and automated recordation of such title.

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

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

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

45       [(b) *Accept for exchange purposes refunding bonds or other evidences of indebtedness at interest*

1 *rates to be agreed upon by the investment officer and obligor.]*

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

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

7 **SECTION 26.** ORS 293.771 is amended to read:

8 293.771. The Oregon Investment [Council] **Department** shall report **annually** to the Governor  
 9 and Legislative Assembly *[on the investment funds investment program at each odd-numbered year*  
 10 *regular session of the Legislative Assembly and at other times as the council considers in the public*  
 11 *interest].* **The report must describe:**

12 **(1) The investment funds investment program of the department;**

13 **(2) The investment program for any other moneys the department is charged by law with**  
 14 **investing; and**

15 **(3) The annual costs incurred by the department and the Oregon Investment Council for**  
 16 **the management of the investment funds and any other moneys the department is charged**  
 17 **by law with investing.**

18 **SECTION 27.** ORS 293.776 is amended to read:

19 293.776. **(1) The Oregon Investment [Council] Department shall establish an internal audit**  
 20 **function.**

21 **(2) The department shall** provide for an examination and audit of the investment funds in-  
 22 vestment program, and for submission to the **Oregon Investment** Council of a report based on the  
 23 examination and audit, at least once every four years and at other times as the council may require.  
 24 *[The examination and audit, and the report based thereon, shall include an evaluation of current in-*  
 25 *vestment funds investment policies and practices and of specific investments of the investment funds in*  
 26 *relation to the objective set forth in ORS 293.721, the standard set forth in ORS 293.726 and other*  
 27 *criteria as may be appropriate, and recommendations relating to the investment funds investment poli-*  
 28 *cies and practices and to specific investments of the investment funds as are considered necessary or*  
 29 *desirable.]*

30 **(3) The examination and audit required under subsection (2) of this section shall include:**

31 **(a) The investment funds investment program of the department in relation to the ob-**  
 32 **jective set forth in section 6 of this 2015 Act and ORS 293.721, the standard set forth in ORS**  
 33 **293.726 and other criteria as may be appropriate given the trust nature of certain investment**  
 34 **funds and requirements of federal law;**

35 **(b) The investment program for any other moneys the department is charged by law with**  
 36 **investing; and**

37 **(c) The investment policies of the council.**

38 **(4) The council shall make copies of the report submitted to the council under subsection**  
 39 **(2) of this section** or a summary thereof available for distribution to interested persons.

40 **SECTION 28.** ORS 293.778 is amended to read:

41 293.778. **(1) The [investment officer singly, or jointly with other public or institutional investors,]**  
 42 **Oregon Investment Department** may authorize establishment of investment holding companies,  
 43 which may be corporations, partnerships or limited liability companies, and placement of investment  
 44 funds or *[investments]* **other moneys the department is charged by law with investing** in such  
 45 companies, when it is appropriate to do so under the investment standard prescribed in ORS 293.726.

1 An investment holding company authorized by this section has the powers and authority granted by  
2 the laws of the jurisdiction in which the company is established.

3 (2) Any person qualified under the laws of the jurisdiction in which an investment holding  
4 company is established may serve as an officer, director, member or manager of the company. Offi-  
5 cers and employees of the office of the State Treasurer **or the department** may serve as directors,  
6 officers and members of investment holding companies authorized by this section. However, if a  
7 conflict arises between the duties of the officer or employee of the office of the State Treasurer **or**  
8 **the department** under state law and the duties of the officer or employee of the office of the State  
9 Treasurer **or the department** as a director, officer or member of the investment holding company,  
10 the officer or employee shall abstain from acting on behalf of the company. If the conflict cannot  
11 be avoided by abstention, the officer or employee shall immediately resign from the company.

12 **SECTION 29.** ORS 293.790 is amended to read:

13 293.790. (1) Under authority of [section 6,] Article XI, **section 6**, of the Oregon Constitution, the  
14 [state] **Oregon Investment Department**, subject to subsection [(2)] **(3)** of this section, may hold and  
15 dispose of the stock of any company, association or corporation, including stock already received  
16 **by a state agency**, that is donated or bequeathed. [and the state,]

17 **(2)** Acting by and through the State Board of Higher Education, subject to subsection [(2)] **(3)**  
18 of this section, **the department** may invest and reinvest in the stock of any company, association  
19 or corporation, any funds or moneys of the State Board of Higher Education that:

20 (a) Are or have been donated or bequeathed for higher education purposes;

21 (b) Are the proceeds from the disposition of stock that is donated or bequeathed for higher ed-  
22 ucation purposes, including stock already received; or

23 (c) Are dividends paid with respect to stock that is donated or bequeathed for higher education  
24 purposes, including stock already received.

25 [(2)] **(3)** [The state, including any of its agencies having control of, or authority to invest and re-  
26 invest in, any stock described in subsection (1) of this section, in holding, disposing of or investing and  
27 reinvesting in such stock, shall be] **The department, on behalf of any state agency in receipt of**  
28 **donated stock or having control of, or authority to invest and reinvest, any stock, is** governed  
29 by ORS 130.750 to 130.775, notwithstanding the date of acquisition of [such] **the** stock. Moneys re-  
30 ceived from the disposition of [such] **the** stock, including dividends, shall be maintained separate and  
31 distinct from the General Fund, and those moneys, including interest earned thereon, are appropri-  
32 ated continuously for the purposes of the donation or bequest and of the investments and reinvest-  
33 ments authorized by [subsection (1)] **subsections (1) and (2)** of this section and by ORS 351.130.  
34 Except as specifically authorized by law, the state or any of its agencies may not purchase stock.

35 [(3)(a)] **(4)(a)** This section does not apply to investment and reinvestment of moneys in the  
36 Public Employees Retirement Fund, the Industrial Accident Fund, the Deferred Compensation Fund  
37 and the Education Stability Fund or to acquisition, retention, management and disposition of in-  
38 vestments of those funds as provided in ORS 293.701 to 293.857.

39 (b) This section does not apply to investment or reinvestment of moneys or stock resulting from  
40 the holding and disposing of stock by the state as allowed under [section 6 (2),] Article XI, **section**  
41 **6 (2)**, of the Oregon Constitution.

42 **SECTION 30.** ORS 293.793 is amended to read:

43 293.793. (1) As used in this section:

44 (a) "Related agency" has the meaning given that term in ORS 286A.001.

45 (b) "State government" has the meaning given that term in ORS 174.111.

1 (2) If the State Treasurer, *[acting as investment officer,]* **the Oregon Investment Department**  
 2 or a trustee, investing moneys for a related agency **or the Oregon Short Term Fund**, purchases  
 3 or acquires bonds issued by state government, the purchase or acquisition does not cancel or ex-  
 4 tinguish the bonds.

5 **SECTION 31.** ORS 293.796 is amended to read:

6 293.796. (1) The Legislative Assembly finds that:

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

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

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

13 (d) Pension funds managed by the Oregon Investment *[Council]* **Department** constitute a major  
 14 financial resource of **current and former public employees of** the State of Oregon, and that such  
 15 funds may be prudently invested in start-up and emerging growth businesses in this state under  
 16 policies established by the Oregon Investment Council.

17 (2) As used in this section:

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

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

23 **SECTION 32.** ORS 293.819 is amended to read:

24 293.819. (1) The Oregon Investment **Department** *[Council and the State Treasurer, in the State*  
 25 *Treasurer’s role as investment officer for the council,]* shall act reasonably and in a manner consistent  
 26 with fiduciary standards, including the provisions of ORS 293.721 and 293.726 **and section 6 of this**  
 27 **2015 Act**, to try to ensure that managers who are engaged by the **department** *[council or the State*  
 28 *Treasurer]* for the active management of investment funds consisting of the Public Employees Re-  
 29 tirement Fund referred to in ORS 238.660, through the purchase and sale of publicly traded equities,  
 30 are not investing in publicly traded equities of any scrutinized company.

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

33 **SECTION 33.** ORS 293.825 is amended to read:

34 293.825. (1) Consistent with fiduciary standards, including the provisions of ORS 293.721 and  
 35 293.726 **and section 6 of this 2015 Act**, the *[State Treasurer]* **Oregon Investment Council** shall  
 36 adopt a statement of policy that describes a process of engagement with managers who:

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

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

41 (2) The policy required under subsection (1) of this section must require the *[State Treasurer]*  
 42 **department**, to the extent practicable, to identify and send a written notice to the managers de-  
 43 scribed in subsection (1) of this section. The notice shall encourage the managers, consistent with  
 44 fiduciary standards, including the provisions of ORS 293.721 and 293.726 **and section 6 of this 2015**  
 45 **Act**, to:

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

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

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

10 (4) If the [State Treasurer] **department** determines under subsection (3) of this section that a  
11 company is not a scrutinized company, the [State Treasurer] **department** shall notify the relevant  
12 manager of the [State Treasurer's] determination.

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

18 **SECTION 34.** ORS 293.828 is amended to read:

19 293.828. On or before March 15 of each year, the [State Treasurer] **Oregon Investment De-**  
20 **partment** shall make available on the **department's or the** State Treasurer's website a summary  
21 of actions taken during the previous year in accordance with ORS 293.811 to 293.832. The summary  
22 shall include a list of identified scrutinized companies.

23 **SECTION 35.** ORS 293.832 is amended to read:

24 293.832. ORS 293.825 (2) to *[(5)]* (4) and 293.828 apply only if the Legislative Assembly appro-  
25 priates sufficient moneys *[to the State Treasurer]* **for the Oregon Investment Department**, other  
26 than moneys described by ORS 293.718 or moneys in the Public Employees' Retirement Fund, to  
27 administer ORS 293.825 (2) to *[(5)]* (4) and 293.828.

28 **SECTION 36.** ORS 293.839 is amended to read:

29 293.839. (1) The Oregon Investment **Department** *[Council and the State Treasurer, in the State  
30 Treasurer's role as investment officer for the council,]* shall act reasonably and in a manner consistent  
31 with fiduciary standards, including the provisions of ORS 293.721 and 293.726 **and section 6 of this**  
32 **2015 Act**, to try to ensure that managers who are engaged by the **department** *[council or the State  
33 Treasurer]* for the active management of investment funds consisting of the Public Employees Re-  
34 tirement Fund referred to in ORS 238.660, through the purchase and sale of publicly traded equities,  
35 are not investing in publicly traded equities of any scrutinized company.

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

38 **SECTION 37.** ORS 293.841 is amended to read:

39 293.841. (1) Consistent with fiduciary standards, including the provisions of ORS 293.721 and  
40 293.726 **and section 6 of this 2015 Act**, the [State Treasurer] **Oregon Investment Council** shall  
41 adopt a statement of policy that describes a process of engagement with managers who:

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

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

1 (2) The policy required under subsection (1) of this section must require the *[State Treasurer]*  
 2 **department**, to the extent practicable, to identify and send a written notice to the managers de-  
 3 scribed in subsection (1) of this section. The notice shall encourage the managers, consistent with  
 4 fiduciary standards, including the provisions of ORS 293.721 and 293.726 **and section 6 of this 2015**  
 5 **Act**, to:

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

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

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

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

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

22 **SECTION 38.** ORS 293.843 is amended to read:

23 293.843. On or before March 15 of each year, the *[State Treasurer]* **Oregon Investment De-**  
 24 **partment** shall make available on the **department's or the** State Treasurer's website a summary  
 25 of actions taken during the previous year in accordance with ORS 293.837 to 293.847. The summary  
 26 shall include a list of identified scrutinized companies.

27 **SECTION 39.** ORS 293.847 is amended to read:

28 293.847. (1) ORS 293.841 (2) to *[(5)]* (4) and 293.843 apply only if the Legislative Assembly ap-  
 29 propriates sufficient moneys *[to the State Treasurer]* **for the Oregon Investment Department,**  
 30 other than moneys described in ORS 293.718 **or moneys in the Public Employees Retirement**  
 31 **Fund**, to administer ORS 293.841 (2) to *[(5)]* (4) and 293.843.

32 (2) Any costs incurred by the *[State Treasurer]* **department** in administering ORS 293.837 to  
 33 293.847 may not be paid from investment funds.

34 **SECTION 40.** ORS 293.857 is amended to read:

35 293.857. (1) When the *[investment officer]* **Oregon Investment Department or the State**  
 36 **Treasurer** invests the funds of any county, municipality, school district or other political subdivi-  
 37 sion of this state or of a tribal government, the *[investment officer]* **department or State Treasurer**  
 38 shall keep a separate account for each such governmental unit the funds of which are being in-  
 39 vested.

40 (2) The *[investment officer]* **department or State Treasurer** shall report monthly to each such  
 41 governmental unit the changes made during the preceding month in the investments for the account  
 42 of that governmental unit. The monthly reports shall be provided to the governmental units within  
 43 30 days after the end of the month to which they pertain.

44 (3) All funds **in the Oregon Short Term Fund or the investment pool as defined in ORS**  
 45 **294.805 that are** invested by the *[investment officer]* **department or State Treasurer** shall be in-



1 vested in accordance with rules adopted or readopted at least annually by the Oregon Short Term  
2 Fund Board and approved by the Oregon Investment Council. [Such] **The** rules shall be published,  
3 shall be made available to all interested parties and shall be distributed at least annually to all local  
4 governments and tribal governments investing funds pursuant to ORS 294.805 to 294.895.

5 **SECTION 41.** ORS 293.353 is amended to read:

6 293.353. (1) As payment for expenses of processing banking-related transactions, the State  
7 Treasurer may charge each state agency having such transactions involving the State Treasury. The  
8 amount so charged shall be determined by the number of transactions processed by the State  
9 Treasurer and shall be paid in the manner determined by the State Treasurer to be most efficient  
10 and cost effective. The proceeds from such charges shall be deposited in the Miscellaneous Receipts  
11 Account established in the General Fund for the State Treasurer, and such proceeds are contin-  
12 uously appropriated for payment of expenses of the office of the State Treasurer in processing  
13 banking-related transactions.

14 (2) When the [State Treasurer] **Oregon Investment Department** transfers the assets of the in-  
15 vestment pool to the Oregon Short Term Fund established under ORS 293.728 as authorized by ORS  
16 294.882, "state agency," as used in this section, includes local government and tribal government  
17 participants in the state investment fund.

18 **SECTION 42.** ORS 294.035, as amended by section 1, chapter 18, Oregon Laws 2014, is amended  
19 to read:

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

26 (2) This section does not:

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

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

32 (3) Investments authorized by this section are:

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

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

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

45 (d) Time deposit open accounts, certificates of deposit and savings accounts in insured insti-

1 tutions as defined in ORS 706.008, in credit unions as defined in ORS 723.006 or in federal credit  
2 unions, if the institution or credit union maintains a head office or a branch in this state.

3 (e) Share accounts and savings accounts in credit unions in the name of, or for the benefit of,  
4 a member of the credit union pursuant to a plan of deferred compensation.

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

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

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

9 (B) The trust is a public instrumentality of such public employers and described in section (2)(b)  
10 of the Investment Company Act of 1940, 15 U.S.C. 80a-2(b), as amended, in effect on September 20,  
11 1985, or the trust is a common trust fund described in ORS 709.170;

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

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

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

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

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

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

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

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

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

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

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

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

44 (C) Notwithstanding subparagraph (B) of this paragraph, the corporate indebtedness must be  
45 rated on the settlement date P-2 or A or better by Moody's Investors Service or A-2 or A or better

1 by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rat-  
2 ing organization when the corporate indebtedness is:

3 (i) Issued by a business enterprise that has its headquarters in Oregon, employs more than 50  
4 percent of its permanent workforce in Oregon or has more than 50 percent of its tangible assets in  
5 Oregon; or

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

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

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

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

27 (L) The investment pool as defined in ORS 294.805 and, with the approval of the State Treasurer  
28 **or the Oregon Investment Department**, any other commingled investment pool that may be es-  
29 tablished in the discretion of the State Treasurer **or department** for investment of the funds of local  
30 governments. The State Treasurer **or department** may require the governing body of a local gov-  
31 ernment to enter into an investment agreement with the State Treasurer **or department** as a con-  
32 dition of investing funds in a commingled investment pool under this paragraph.

33 **SECTION 43.** ORS 294.805 is amended to read:

34 294.805. As used in ORS 294.805 to 294.895:

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

36 (2) "Council" means the Oregon Investment Council created under [ORS 293.706] **section 5 of**  
37 **this 2015 Act.**

38 (3) "Funds" means funds under the control or in the custody of any local government official  
39 or tribal government official by virtue of office that are not required to meet current demands.

40 (4) "Investment officer" means the State Treasurer [*in capacity as investment officer for the*  
41 *council and the investment pool*], **or the Oregon Investment Department if the State Treasurer**  
42 **requests that the department invest the Oregon Short Term Fund or the investment pool.**

43 (5) "Investment pool" means the aggregate of all funds from local government officials and tribal  
44 government officials that are [*placed in the custody of the investment officer for investment and rein-*  
45 *vestment*] **invested** as provided under ORS 294.805 to 294.895.

1 (6) "Local government official" means each officer or employee of any agency, political subdi-  
 2 vision or public corporation of this state, including the Oregon State Bar, who by law is made the  
 3 custodian of or has control of any funds.

4 (7) "Oregon Indian tribe" means each of the Burns Paiute Tribe, the Confederated Tribes of  
 5 Coos, Lower Umpqua and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community  
 6 of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of the  
 7 Umatilla Indian Reservation, the Confederated Tribes of the Warm Springs Reservation of Oregon,  
 8 the Coquille Indian Tribe, the Cow Creek Band of Umpqua Tribe of Indians and the Klamath Tribes,  
 9 as long as each remains a federally recognized Indian tribe.

10 (8) "Public body" means:

11 (a) A public body as defined in ORS 287A.001; or

12 (b) An Oregon Indian tribe.

13 (9) "Tribal government" means the governing body of an Oregon Indian tribe.

14 (10) "Tribal government official" means each officer or employee of a tribal government who by  
 15 law is made the custodian of or has control of any funds.

16 **SECTION 44.** ORS 294.810, as amended by section 2, chapter 18, Oregon Laws 2014, is amended  
 17 to read:

18 294.810. (1)(a) Subject to paragraph (b) of this subsection, with the consent of the governing  
 19 body, a local government official or tribal government official may place in the aggregate up to \$30  
 20 million of the funds of the local government or tribal government in the investment pool, or, if the  
 21 assets of the investment pool have been transferred pursuant to ORS 294.882, for investment and  
 22 reinvestment [*by the investment officer*] as provided under ORS 293.701 to 293.857 or 294.805 to  
 23 294.895, as the case may be.

24 (b) The [*investment officer*] **State Treasurer or the Oregon Investment Department** may re-  
 25 quire the governing body of the local government or tribal government to enter into an investment  
 26 agreement as a condition of placing funds with the [*investment officer*] **State Treasurer or depart-**  
 27 **ment** pursuant to this subsection.

28 (2) The \$30 million limitation in this section does not apply either to funds of a governing body  
 29 that are placed in the investment pool on a pass-through basis or to funds invested on behalf of  
 30 another government unit. Local governments must remove pass-through funds that result in an ac-  
 31 count balance in the pool in excess of \$30 million within 10 business days. County governments and  
 32 tribal governments must remove such excess funds within 20 business days.

33 (3) The [*investment officer*] **State Treasurer or department** shall annually adjust the \$30  
 34 million limitation in this section by multiplying \$30 million by the percentage, if any, by which the  
 35 monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending  
 36 September 9 of the current calendar year exceeds the monthly averaged U.S. City Average Con-  
 37 sumer Price Index for the 12 consecutive months ending September 9, 1995.

38 **SECTION 45.** ORS 294.820 is amended to read:

39 294.820. (1) If the [*State Treasurer and the*] Oregon Investment [*Council terminate*] **Department**  
 40 **terminates** the operation of all investment pools [*created under ORS 293.863,*] **for** public bodies,  
 41 **one or more public bodies** may establish by written agreement under ORS chapter 190 one or more  
 42 pools for the investment of proceeds for the [*purposes identified in ORS 293.861. In establishing one*  
 43 *or more such pools, the participating public bodies may exercise those powers conferred on the State*  
 44 *Treasurer and the Oregon Investment Council by ORS 293.863.*] **purpose of reducing the burdens**  
 45 **of federal arbitrage rules on public bodies that issue tax-exempt obligations.**

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

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

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

**SECTION 46.** ORS 294.825 is amended to read:

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

*[(2) The bond of the State Treasurer required from the State Treasurer by law shall be deemed to extend to the faithful performance of all functions of the office of investment officer under ORS 294.805 to 294.895.]*

*[(3) The investment officer may:]*

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

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

*[(4)] Subject to review by the **Oregon Short Term Fund** Board, the *[investment officer]* **State Treasurer** may, pursuant to ORS chapter 183, make reasonable rules necessary for the administration of ORS 294.805 to 294.895.*

**SECTION 47.** ORS 294.840 is amended to read:

294.840. *[Subject to the objective set forth in ORS 294.831 and the standards set forth in ORS 294.835,] The Oregon Investment Council shall formulate policies for the investment and reinvestment of moneys in the investment pool and the acquisition, retention, management and disposition of investments of the investment pool. The council, from time to time, shall review those policies and make changes therein as it considers necessary or desirable. The council may formulate separate policies for any funds from any single public body included in the investment pool.*

**SECTION 48.** ORS 294.845 is amended to read:

294.845. (1) In amounts available for investment purposes and subject to the policies formulated by the Oregon Investment Council, the investment officer shall invest and reinvest moneys in the investment pool and acquire, retain, manage, including exercise of any voting rights, and dispose of investments of the investment pool.

**(2) The investment officer is subject to the standards, and has the powers and duties, set forth in section 3 (3)(a) to (f) and (4) of this 2015 Act when investing moneys in the investment pool.**

**SECTION 49.** ORS 294.855 is amended to read:

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

*[(2) The Oregon Investment Council may arrange for the furnishing to the investment officer of investment counseling services. The furnishing and acquisition of those services are not subject to the*

1 *State Personnel Relations Law or ORS 279A.140.]*

2 *[(3) The investment officer, with the approval of the council, may arrange for services with respect*  
 3 *to mortgages in which moneys in the investment pool are invested. Those services shall be paid for out*  
 4 *of the gross interest of the mortgages with respect to which the services are furnished, and the net in-*  
 5 *terest of the mortgages after that payment shall be considered income of the investment pool. The fur-*  
 6 *nishing and acquisition of those services are not subject to the State Personnel Relations Law or ORS*  
 7 *279A.140.]*

8 **SECTION 50.** ORS 294.860 is amended to read:

9 294.860. *[(1) Except as provided in ORS 294.850 and this subsection,] All instruments of title of*  
 10 *all investments of the investment pool shall remain in the custody of the investment officer **and be***  
 11 ***held as provided in ORS 293.751.** [The investment officer may deposit with one or more custodial*  
 12 *agents or banks those instruments of title that the State Treasurer considers advisable, to be held in*  
 13 *safekeeping by the agents or banks for collection of the principal and interest or other income, or of the*  
 14 *proceeds of sale or maturity. For purposes of this section, instruments of title of investments of the in-*  
 15 *vestment pool may include such evidence of title as the investment officer shall consider secure and*  
 16 *consistent with modern investment, banking and commercial practices, and may include book entry and*  
 17 *automated recordation of such title.]*

18 *[(2) Except as provided in ORS 294.850 and 294.855 (3) and subsections (1) and (3) of this section,*  
 19 *the investment officer shall collect the principal and interest or other income of investments of the in-*  
 20 *vestment pool, title of which is in the investment officer's custody, when due and payable, and shall*  
 21 *pay to the appropriate local government official or tribal government official the principal and interest*  
 22 *or other income, within 30 days after the last day of the calendar quarter in which the principal and*  
 23 *interest or other income accrues. Not less often than quarterly and without regard to whether the*  
 24 *short-term investments were made with moneys placed by local government officials, by tribal govern-*  
 25 *ment officials or by other sources, the investment officer shall compute the amount by which the current*  
 26 *fair market value exceeds or is less than the net purchase price of all short-term investments adminis-*  
 27 *tered by the investment officer that mature more than 270 days from the date computation is made. The*  
 28 *investment officer shall compute the fair market value of such investments based upon the mean value*  
 29 *of the bid and ask price of such investments as of the date of computation, based upon quotations from*  
 30 *reputable dealers or financial institutions dealing in such investments. If the amount so computed by*  
 31 *the investment officer totals more than one percent of the balance of the pool, either in terms of a gain*  
 32 *or loss, the investment officer shall allocate the amount to all pool participants. Any addition to or*  
 33 *deduction from amounts to be distributed shall be allocated among the municipalities and tribal gov-*  
 34 *ernments participating in the pool at any time during the month in proportion to their average daily*  
 35 *balances of funds invested through the pool. Investments maturing 270 days or less from the date of*  
 36 *computation shall not be subject to the foregoing computation, but for other purposes shall be valued*  
 37 *at book value or original purchase price.]*

38 *[(3) In the event of default in the payment of principal or interest or other income of any investment*  
 39 *of the investment pool, the investment officer, with the approval of the council, may:]*

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

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

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

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

3        **SECTION 51.** ORS 294.865 is amended to read:

4        294.865. The State Treasurer may deduct monthly a maximum of 0.435 basis points of the most  
 5        recent market value of assets under the management of the investment pool. Amounts so deducted  
 6        shall pay the State Treasurer, **and the Oregon Investment Department if it is investing the**  
 7        **Oregon Short Term Fund, for accounting and investment** expenses of the [*State Treasurer as*  
 8        *investment officer and to the extent the amounts deducted are so used*] **investment pool. The**  
 9        **amounts deducted** shall be deposited into the Miscellaneous Receipts Account established in the  
 10        General Fund for the State Treasurer, and are continuously appropriated **to the State Treasurer**  
 11        for payment of the **accounting and investment** expenses of the [*State Treasurer as investment offi-*  
 12        *cer*] **investment pool.**

13        **SECTION 52.** ORS 294.870 is amended to read:

14        294.870. (1) The investment officer shall keep, for each public body with funds in the investment  
 15        pool, a separate account, which shall record the individual amounts and the totals of all investments  
 16        of its moneys in the investment pool.

17        (2) The investment officer shall report monthly to the local government official or tribal gov-  
 18        ernment official of a public body with funds in the investment pool the changes in its account made  
 19        during the preceding month for the investment pool. The investment officer shall also furnish a fi-  
 20        nancial report monthly to each participating governmental unit investor in the investment pool.  
 21        The financial report shall include, but not be limited to, such comparative data for the preceding  
 22        six months **of** operation of the investment pool, **with respect to participating governmental unit**  
 23        **investors**, as will provide a basis for analyzing trends and comparing operating results and financial  
 24        position. A monthly statement shall be distributed within 30 days after the end of that month.

25        **SECTION 53.** ORS 294.875 is amended to read:

26        294.875. (1) Not later than 15 days after the last day of each month, the investment officer shall  
 27        submit to the Oregon Investment Council and the Oregon Short Term Fund Board a report of the  
 28        investments made **with respect to participating governmental unit investors** during the preced-  
 29        ing month.

30        (2) The report shall include:

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

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

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

41        (d) A computation of the annualized rate of return of the investment pool portfolio, net of ex-  
 42        pense.

43        (3) A copy of the [*reports*] **report** shall be made available to each county, municipality, school  
 44        district and other political subdivision and tribal government the funds of which are then being in-  
 45        vested by the investment officer. The investment officer may send copies of the report to investment

1 bankers and brokers [*recommended by the council*].

2 **SECTION 54.** ORS 294.880 is amended to read:

3 294.880. (1) An examination and audit of the investment pool shall be made separately from the  
4 audit of the **State Treasurer** [*for submission*] **and shall be submitted** to the **Oregon Investment**  
5 **Department, the** Oregon Investment Council, public bodies that are investors in the pool, the  
6 Legislative Assembly and the Oregon Short Term Fund Board at least once a year and at other  
7 times as the [*council*] **department** may require.

8 (2) An audit report shall be submitted to the individuals and public bodies specified within 60  
9 days after the end of the fiscal year or as soon as practical.

10 (3) The report shall include a statement prepared by the State Treasurer of the investment rules  
11 governing investments authorized by the **department or council**.

12 **SECTION 55.** ORS 294.882 is amended to read:

13 294.882. (1) It is recognized that a time may come when the interest of local governments and  
14 tribal governments diminishes to the extent that participation in the investment pool no longer  
15 warrants its operation as a separate fund. If the investment pool decreases to a level below \$125  
16 million, the [*State Treasurer*] **Oregon Investment Department** may transfer the assets of the pool  
17 to the Oregon Short Term Fund established under ORS 293.728. In that event, the investment pool  
18 participant accounts will be treated as are other state funds and accounts in receiving a propor-  
19 tionate share of the earnings of the Oregon Short Term Fund. Notwithstanding ORS 294.805 to  
20 294.895, but subject to ORS 294.810, when the [*State Treasurer*] **department** transfers the assets of  
21 the investment pool to the Oregon Short Term Fund, the distributions of income to local govern-  
22 ments and tribal governments, payment of related expenses and the reporting, program examination  
23 and audit functions with respect to the investment pool participant accounts shall be administered  
24 in accordance with ORS 293.353 and 293.701 to 293.857.

25 (2) The [*State Treasurer*] **department**, at the discretion of the [*treasurer*] **department**, may re-  
26 establish the investment pool as a separate fund if the participant accounts increase to over \$125  
27 million and, in the [*State Treasurer's*] judgment **of the Oregon Investment Council**, sufficient in-  
28 terest by local government and tribal government exists to ensure the investment pool will remain  
29 over \$125 million. [*Prior to reestablishing the pool as a separate fund, the State Treasurer shall first*  
30 *present a plan for operation, including the reasons for such action, to the Oregon Investment Council*  
31 *at a regularly scheduled meeting for its review and comment. The State Treasurer*] **The department**  
32 shall publish notice in the Secretary of State's administrative rules bulletin of the [*treasurer's*]  
33 **department's** intent to reestablish the pool as a separate fund at least 30 days prior to the meeting  
34 at which the Oregon Investment Council [*shall*] **will** review the proposal, and notice of the meeting  
35 time and location [*of the Oregon Investment Council*] at which the proposal will be discussed.

36 **SECTION 56.** ORS 294.895 is amended to read:

37 294.895. The Oregon Short Term Fund Board shall:

38 (1) Advise the [*Oregon Investment Council and the*] investment officer in the management of the  
39 investment pool and in the investment of moneys deposited in the Oregon Short Term Fund estab-  
40 lished under ORS 293.728 and invested pursuant to ORS 293.701 to 293.857.

41 (2) Review the rules promulgated by the [*investment officer*] **State Treasurer** as authorized un-  
42 der ORS 294.825 [(4)].

43 (3) Consult with the [*council and the*] investment officer on any matter relating to the investment  
44 and reinvestment of funds in the investment pool and on any matter relating to the investment or  
45 reinvestment of moneys deposited in the Oregon Short Term Fund [*and invested by the State Treas-*



1 *urer*].

2 **SECTION 57.** ORS 295.101 is amended to read:

3 295.101. (1) The following public funds are not subject to the provisions of ORS 295.001 to  
4 295.108:

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

8 (b) Funds that are invested in authorized investments under provisions of law other than ORS  
9 295.001 to 295.108. Funds invested under ORS 293.701 to 293.857 are invested in authorized invest-  
10 ments for purposes of this subsection from the time the funds are transferred by the State Treasurer  
11 **or the Oregon Investment Department** to a third party under the terms of a contract for in-  
12 vestment or administration of the funds that requires such a transfer until the time the funds are  
13 returned to the **State Treasurer or department** or paid to another party under the terms of the  
14 contract.

15 (c) Negotiable certificates of deposit purchased by the State Treasurer [*under ORS 293.736*], **the**  
16 **department** or [*by*] an investment manager under [*ORS 293.741*] **contract with the State Treas-**  
17 **urer or department pursuant to section 3 of this 2015 Act.**

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

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

26 **SECTION 58.** ORS 128.316 is amended to read:

27 128.316. As used in ORS 128.305 to 128.336:

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

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

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

37 (4) "Institution" means:

38 (a) A person, other than an individual, organized and operated exclusively for charitable pur-  
39 poses;

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

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

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

1 (a) Program-related assets;

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

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

5 (d) A fund managed by the State Treasurer **or the Oregon Investment Department**, moneys  
6 held by the State Treasurer **or the department** for investment or moneys managed or held for in-  
7 vestment by or on behalf of the State Treasurer **or the department** under ORS chapter 293 or 348.

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

11 (7) "Program-related asset" means an asset held by an institution primarily to accomplish a  
12 charitable purpose of the institution and not primarily for investment.

13 (8) "Record" means information that is inscribed on a tangible medium or that is stored in an  
14 electronic or other medium and is retrievable in perceivable form.

15 **SECTION 59.** ORS 173.500 is amended to read:

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

24 (2) The Oregon State Capitol Foundation shall:

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

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

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

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

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

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

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

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

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

40 (3) The Oregon State Capitol Foundation may:

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

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

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

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

3 (4)(a) As used in this subsection, “community foundation” has the meaning given that term in  
4 ORS 348.580.

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

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

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

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

15 (C) The person submit an annual financial report to the Oregon State Capitol Foundation, the  
16 Legislative Administration Committee and the Oregon Investment [Council] Department.

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

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

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

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

30 **SECTION 60.** ORS 192.490 is amended to read:

31 192.490. (1) In any suit filed under ORS 192.450, 192.460, 192.470 or 192.480 **or section 13 of this**  
32 **2015 Act**, the court has jurisdiction to enjoin the public body from withholding records and to order  
33 the production of any records improperly withheld from the person seeking disclosure. The court  
34 shall determine the matter de novo and the burden is on the public body to sustain its action. The  
35 court, on its own motion, may view the documents in controversy in camera before reaching a de-  
36 cision. Any noncompliance with the order of the court may be punished as contempt of court.

37 (2) Except as to causes the court considers of greater importance, proceedings arising under  
38 ORS 192.450, 192.460, 192.470 or 192.480 **or section 13 of this 2015 Act** take precedence on the  
39 docket over all other causes and shall be assigned for hearing and trial at the earliest practicable  
40 date and expedited in every way.

41 (3) If a person seeking the right to inspect or to receive a copy of a public record prevails in  
42 the suit, the person shall be awarded costs and disbursements and reasonable attorney fees at trial  
43 and on appeal. If the person prevails in part, the court may in its discretion award the person costs  
44 and disbursements and reasonable attorney fees at trial and on appeal, or an appropriate portion  
45 thereof. If the state agency failed to comply with the Attorney General’s order in full and did not

1 issue a notice of intention to institute proceedings pursuant to ORS 192.450 (2) within seven days  
 2 after issuance of the order, or did not institute the proceedings within seven days after issuance of  
 3 the notice, the petitioner shall be awarded costs of suit at the trial level and reasonable attorney  
 4 fees regardless of which party instituted the suit and regardless of which party prevailed therein.

5 **SECTION 61.** ORS 192.502 is amended to read:

6 192.502. The following public records are exempt from disclosure under ORS 192.410 to 192.505:

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

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

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

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

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

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

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

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

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

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

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

45 (8) Any public records or information the disclosure of which is prohibited by federal law or

1 regulations.

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

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

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

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

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

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

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

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

23 (11) Records of the Energy Facility Siting Council concerning the review or approval of security  
24 programs pursuant to ORS 469.530.

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

28 (13) Records of or submitted to the State Treasurer, **the Oregon Investment Department**, the  
29 Oregon Investment Council, **the Oregon Growth Board** or the agents of the **State Treasurer, de-**  
30 **partment**, [or *the*] council **or board** relating to active or proposed publicly traded investments un-  
31 der ORS chapter 293 **or 348**, including but not limited to records regarding the acquisition, exchange  
32 or liquidation of the investments. For the purposes of this subsection:

33 (a) The exemption does not apply to:

34 (A) Information in investment records solely related to the amount paid directly into an invest-  
35 ment by, or returned from the investment directly to, the **State Treasurer, department, council**  
36 **or board** [or *council*]; or

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

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

41 (14)(a) Records of or submitted to the State Treasurer, **the Oregon Investment Department**,  
42 the Oregon Investment Council, the Oregon Growth Board or the agents of the **State Treasurer,**  
43 **department**, council or board relating to actual or proposed investments under ORS chapter 293  
44 or 348 in a privately placed investment fund or a private asset, including but not limited to records  
45 regarding the solicitation, acquisition, deployment, exchange or liquidation of the investments, in-

1 cluding but not limited to:

2 (A) Due diligence **information or** materials that are proprietary to, **or treated as confidential**  
3 **by a consultant or other agent of**, an investment fund, [to] an asset ownership or [to their re-  
4 *spective*] **related** investment vehicles.

5 (B) Financial statements of an investment fund, an asset ownership or [*their respective*] **related**  
6 investment vehicles.

7 (C) Meeting materials of an investment fund, an asset ownership or [*their respective*] **related**  
8 investment vehicles.

9 (D) Records [*containing*] **or** information regarding the portfolio positions in which an investment  
10 fund, an asset ownership or [*their respective*] **related** investment vehicles invest.

11 (E) Capital call and distribution notices of an investment fund, an asset ownership or [*their re-*  
12 *spective*] **related** investment vehicles.

13 (F) Investment agreements and related documents.

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

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

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

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

20 (D) The dollar amount, on a fiscal year-end basis, of cash distributions received by the State  
21 Treasurer, the Oregon Investment [Council] **Department**, the Oregon Growth Board or the agents  
22 of the **State** Treasurer, **department** [*council*] or board from each privately placed investment fund.

23 (E) The dollar amount, on a fiscal year-end basis, of the remaining value of assets in a privately  
24 placed investment fund attributable to an investment by the State Treasurer, the Oregon Investment  
25 [Council] **Department**, the Oregon Growth Board or the agents of the **State** Treasurer, [*council*]  
26 **department** or board.

27 (F) The net internal rate of return of each privately placed investment fund since inception of  
28 the fund.

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

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

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

34 (15) [*The monthly reports prepared and submitted under ORS 293.761 and 293.766*] **The infor-**  
35 **mation provided by the Oregon Investment Department under section 3 (6) of this 2015 Act**  
36 concerning the Public Employees Retirement Fund and the Industrial Accident Fund may be uni-  
37 formly treated as exempt from disclosure for a period of up to 90 days after the end of the calendar  
38 quarter.

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

41 (17)(a) The following records, communications and information submitted to the Oregon Business  
42 Development Commission, the Oregon Business Development Department, the State Department of  
43 Agriculture, the Oregon Growth Board, the Port of Portland or other ports as defined in ORS  
44 777.005, or a county or city governing body and any board, department, commission, council or  
45 agency thereof, by applicants for investment funds, grants, loans, services or economic development

1 moneys, support or assistance including, but not limited to, those described in ORS 285A.224:

2 (A) Personal financial statements.

3 (B) Financial statements of applicants.

4 (C) Customer lists.

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

10 (E) Production, sales and cost data.

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

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

15 (A) Personal financial statements.

16 (B) Financial statements of applicants.

17 (C) Customer lists.

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

23 (E) Production, sales and cost data.

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

26 (18) Records, reports or returns submitted by private concerns or enterprises required by law  
27 to be submitted to or inspected by a governmental body to allow it to determine the amount of any  
28 transient lodging tax payable and the amounts of such tax payable or paid, to the extent that such  
29 information is in a form which would permit identification of the individual concern or enterprise.  
30 Nothing in this subsection shall limit the use which can be made of such information for regulatory  
31 purposes or its admissibility in any enforcement proceedings. The public body shall notify the tax-  
32 payer of the delinquency immediately by certified mail. However, in the event that the payment or  
33 delivery of transient lodging taxes otherwise due to a public body is delinquent by over 60 days, the  
34 public body shall disclose, upon the request of any person, the following information:

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

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

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

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

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

45 (a) When necessary for insurers, self-insured employers and third party claim administrators to

1 process workers' compensation claims.

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

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

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

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

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

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

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

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

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

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

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

20 (b) Credit reports.

21 (c) Project appraisals, excluding appraisals obtained in the course of transactions involving an  
22 interest in real estate that is acquired, leased, rented, exchanged, transferred or otherwise disposed  
23 of as part of the project, but only after the transactions have closed and are concluded.

24 (d) Market studies and analyses.

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

26 (f) Commitment letters.

27 (g) Project pro forma statements.

28 (h) Project cost certifications and cost data.

29 (i) Audits.

30 (j) Project tenant correspondence.

31 (k) Personal information about a tenant.

32 (L) Housing assistance payments.

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

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

43 (27) Sensitive business, commercial or financial information furnished to or developed by the  
44 City of Klamath Falls, acting solely in connection with the ownership and operation of the Klamath  
45 Cogeneration Project, if the information is directly related to a transaction described in ORS 225.085



1 and disclosure of the information would cause a competitive disadvantage for the Klamath  
2 Cogeneration Project. This subsection does not apply to cost-of-service studies used in the develop-  
3 ment or review of generally applicable rate schedules.

4 (28) Personally identifiable information about customers of a municipal electric utility or a  
5 people's utility district or the names, dates of birth, driver license numbers, telephone numbers,  
6 electronic mail addresses or Social Security numbers of customers who receive water, sewer or  
7 storm drain services from a public body as defined in ORS 174.109. The utility or district may re-  
8 lease personally identifiable information about a customer, and a public body providing water, sewer  
9 or storm drain services may release the name, date of birth, driver license number, telephone num-  
10 ber, electronic mail address or Social Security number of a customer, if the customer consents in  
11 writing or electronically, if the disclosure is necessary for the utility, district or other public body  
12 to render services to the customer, if the disclosure is required pursuant to a court order or if the  
13 disclosure is otherwise required by federal or state law. The utility, district or other public body  
14 may charge as appropriate for the costs of providing such information. The utility, district or other  
15 public body may make customer records available to third party credit agencies on a regular basis  
16 in connection with the establishment and management of customer accounts or in the event such  
17 accounts are delinquent.

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

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

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

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

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

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

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

35 (a) Generation, storage or conveyance of:

36 (A) Electricity;

37 (B) Gas in liquefied or gaseous form;

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

39 (D) Petroleum products;

40 (E) Sewage; or

41 (F) Water.

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

43 (c) Data transmissions by whatever means provided.

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

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

2 (b) As used in this subsection, “employer account records” means all records maintained in any  
 3 form that are specifically related to the account of any employer insured, previously insured or un-  
 4 der consideration to be insured by the State Accident Insurance Fund Corporation and any infor-  
 5 mation obtained or developed by the corporation in connection with providing, offering to provide  
 6 or declining to provide insurance to a specific employer. “Employer account records” includes, but  
 7 is not limited to, an employer’s payroll records, premium payment history, payroll classifications,  
 8 employee names and identification information, experience modification factors, loss experience and  
 9 dividend payment history.

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

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

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

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

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

20 (38) Records of or submitted to a domestic violence service or resource center that relate to the  
 21 name or personal information of an individual who visits a center for service, including the date of  
 22 service, the type of service received, referrals or contact information or personal information of a  
 23 family member of the individual. As used in this subsection, “domestic violence service or resource  
 24 center” means an entity, the primary purpose of which is to assist persons affected by domestic or  
 25 sexual violence by providing referrals, resource information or other assistance specifically of ben-  
 26 efit to domestic or sexual violence victims.

27 (39) Information reported to the Oregon Health Authority under ORS 431.964, except as provided  
 28 in ORS 431.964 (2)(c) information disclosed by the authority under ORS 431.966 and any information  
 29 related to disclosures made by the authority under ORS 431.966, including information identifying  
 30 the recipient of the information.

31 (40)(a) Electronic mail addresses in the possession or custody of an agency or subdivision of the  
 32 executive department, as defined in ORS 174.112, a local government or local service district, as  
 33 defined in ORS 174.116, or a special government body, as defined in ORS 174.117.

34 (b) This subsection does not apply to electronic mail addresses assigned by a public body to  
 35 public employees for use by the employees in the ordinary course of their employment.

36 **SECTION 62.** ORS 238A.050 is amended to read:

37 238A.050. (1) The Oregon Public Service Retirement Plan is part of the Public Employees Re-  
 38 tirement System and is administered by the Public Employees Retirement Board.

39 (2) ORS 238.008, 238.225, 238.229, 238.231, 238.285, 238.410, 238.445, 238.447, 238.450, 238.455,  
 40 238.458, 238.460, 238.465, 238.470, 238.600, 238.601, 238.605, 238.610, 238.615, 238.618, 238.630, 238.635,  
 41 238.640, 238.645, 238.655, 238.660, 238.661, 238.665, 238.675, 238.692, 238.694, 238.695, 238.696, 238.698,  
 42 238.700, 238.705, 238.710 and 238.715 apply to the Oregon Public Service Retirement Plan.

43 (3) The Oregon Investment [*Council*] **Department** shall invest the assets of the Oregon Public  
 44 Service Retirement Plan as a part of the Public Employees Retirement Fund. Except as provided by  
 45 subsection (4) of this section, the investment of Oregon Public Service Retirement Plan assets is

1 subject to the provisions of ORS 293.701 to 293.857. The Oregon Investment [*Council*] **Department**  
2 may invest assets of the individual account program and pension program differently than the other  
3 assets of the Public Employees Retirement System.

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

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

10 **SECTION 63.** ORS 243.401 is amended to read:

11 243.401. As used in ORS 243.401 to 243.507:

12 (1) "Board" means the Public Employees Retirement Board described in ORS 238.630.

13 (2) "Council" means the Oregon Investment Council created [*by ORS 293.706*] **under section 5**  
14 **of this 2015 Act.**

15 (3) "Deferred compensation contract" means a written agreement entered into by the state and  
16 an eligible state employee under the provisions of ORS 243.440.

17 (4) "Deferred compensation investment program" means the program established by the Oregon  
18 Investment [*Council*] **Department** under ORS 243.421, for investment of assets of the Deferred  
19 Compensation Fund.

20 (5) "Deferred compensation plan" means a plan established by the state or a local government  
21 for the deferral of compensation payable to employees of the state or local government and for the  
22 deferral of income taxation on that compensation.

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

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

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

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

32 (7) "Fund" means the Deferred Compensation Fund established under ORS 243.411.

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

36 (9) "Local government deferred compensation plan" means a deferred compensation plan that is  
37 established and administered by a local government.

38 (10) "Local plan participant" means a person participating in a local government deferred com-  
39 pensation plan.

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

43 (12) "State deferred compensation plan" means the deferred compensation plan described in ORS  
44 243.435 for eligible state employees.

45 (13) "State plan participant" means a person participating in the state deferred compensation

1 plan, either through current or past deferrals of compensation.

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

3 **SECTION 64.** ORS 243.421 is amended to read:

4 243.421. (1) The Oregon Investment [*Council*] **Department** shall establish a program for invest-  
5 ment of moneys in the Deferred Compensation Fund. The program shall include policies and proce-  
6 dures for the investment of moneys in the fund. The program and all investments of moneys under  
7 the program are subject to the provisions of ORS 293.701 to 293.857.

8 (2) The [*council*] **department** shall provide to the Public Employees Retirement Board a de-  
9 scription of the investment options set forth in the [*council's*] policies and procedures for the in-  
10 vestment of moneys in the fund, the applicable benchmark for each option and a description of the  
11 characteristics of each benchmark.

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

18 (a) The **Oregon Investment** Council.

19 **(b) The Oregon Investment Department.**

20 [(b)] (c) The Public Employees Retirement Board.

21 [(c)] (d) The Public Employees Retirement System.

22 [(d)] (e) The State Treasurer.

23 [(e)] (f) Any officer or employee of the persons or entities described in paragraphs (a) to [(d)]  
24 (e) of this subsection.

25 **SECTION 65.** ORS 243.426 is amended to read:

26 243.426. (1) On request from the Public Employees Retirement Board, the State Treasurer shall  
27 establish all accounts in the Deferred Compensation Fund that are necessary to administer the  
28 provisions of ORS 243.401 to 243.507.

29 (2) The accounts shall be established and maintained with the charges assessed under ORS  
30 243.472 against the account balances of the state plan participants and the funds invested by par-  
31 ticipating local governments.

32 (3) The moneys held in the accounts established by the board may be used only for payment of  
33 the administrative expenses incurred by the system, the State Treasurer, **the Oregon Investment**  
34 **Department** and the Oregon Investment Council in administering the provisions of ORS 243.401 to  
35 243.507.

36 **SECTION 66.** ORS 243.472 is amended to read:

37 243.472. (1) ORS 243.401 to 243.507 shall be implemented and administered by the Public Em-  
38 ployees Retirement Board so that no expense is incurred by the State of Oregon or the Public Em-  
39 ployees Retirement Fund and so that the State of Oregon and the Public Employees Retirement  
40 System incur no liabilities other than those liabilities that may be imposed under ORS 243.401 to  
41 243.507 or other law. In addition to the amounts that may be deducted by the **Oregon Investment**  
42 **Department or the** State Treasurer pursuant to ORS 293.718, the Public Employees Retirement  
43 System may assess a charge against the accounts of state plan participants in the Deferred Com-  
44 pensation Fund. The charge may not exceed two percent of the balances of those accounts. Funds  
45 collected pursuant to the charge are continuously appropriated for and shall be used only to cover

1 the costs incurred by the system to administer the state deferred compensation plan, to issue refunds  
2 and to pay costs incurred in investing the plan assets.

3 (2) For the purpose of implementing and administering the provisions of ORS 243.401 to 243.507,  
4 including implementation and administration of service agreements entered into with local govern-  
5 ments under ORS 243.478, the Public Employees Retirement Board may designate fiscal periods. The  
6 board may apportion extraordinary expenses incurred during any fiscal period, including but not  
7 limited to expenses for equipment and actuarial studies, to subsequent fiscal periods for purposes  
8 of equitably distributing the burden of the expenses. The board may carry forward unexpended fees  
9 collected in one fiscal period to a later fiscal period for the payment of future expenses.

10 (3) In the event the assessment provided for in subsection (1) of this section is inadequate to  
11 meet the administrative expenses incurred by the system for the state deferred compensation plan,  
12 and these expenses are not carried over to another fiscal period, the excess expenses may be paid  
13 by an additional one-time assessment against the account balances of state plan participants in the  
14 Deferred Compensation Fund. The additional assessment shall be in an amount determined by the  
15 Public Employees Retirement Board to be sufficient to pay the excess expenses in the fiscal period  
16 in which the assessment is made. The one-time assessment is in addition to the regular assessment  
17 provided for in subsection (1) of this section.

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

21 **SECTION 67.** ORS 243.474 is amended to read:

22 243.474. (1) A local government that establishes a deferred compensation plan may invest all or  
23 part of the plan's assets through the deferred compensation investment program established by the  
24 Oregon Investment [*Council*] **Department** under ORS 243.421. Plan assets of a local government  
25 deferred compensation plan invested through the deferred compensation investment program are not  
26 subject to the limitations on investment imposed by ORS 294.033 and 294.035. Local governments  
27 that invest through the deferred compensation investment program are subject to the policies and  
28 procedures established by the [*council*] **department** for the administration of the program.

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

37 (3) All funds invested by the [*council*] **department** for a participating local government must be  
38 accounted for separately. Investment of funds under this section must be implemented and admin-  
39 istered so that the State of Oregon incurs no expense or liability other than those liabilities that  
40 may be imposed under ORS 243.401 to 243.507 or other law.

41 (4) In addition to those amounts that may be deducted by the **department or the** State Treas-  
42 urer pursuant to ORS 293.718, the system may assess a charge against the total account balances  
43 of all participating local governments that is sufficient to reimburse the system for any additional  
44 costs of investing funds for participating local governments. The Public Employees Retirement Board  
45 shall not act as a trustee or be considered the trustee of any trust established by a local government

1 deferred compensation plan.

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

6 **SECTION 68.** ORS 243.476 is amended to read:

7 243.476. (1) As a condition of allowing a local government to become a participating local gov-  
8 ernment, and at any time thereafter, the Oregon Investment [*Council*] **Department**, the Public Em-  
9 ployees Retirement Board or the Director of the Public Employees Retirement System may require  
10 that the local government provide proof that the local government deferred compensation plan  
11 complies with the provisions of section 457 of the Internal Revenue Code, as amended, that apply  
12 to governmental plans, including but not limited to any required declaration of trust related to plan  
13 assets and appointment of a trustee. The [*council*] **department**, board or director may require an  
14 opinion of counsel or other assurance satisfactory to the [*council*] **department**, board or director  
15 that participation of a local government deferred compensation plan in the deferred compensation  
16 investment program does not cause the State of Oregon, its agencies or employees to violate any  
17 federal or state laws or regulations related to investments and securities.

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

25 **SECTION 69.** ORS 243.478 is amended to read:

26 243.478. (1) A participating local government and the Public Employees Retirement System may  
27 enter into a written agreement for the system to provide consolidated billing services, participant  
28 enrollment services, participant accounts, data processing, record keeping and other related services  
29 that are necessary or appropriate to the administration of the local government deferred compen-  
30 sation plan. The agreement may provide that the services be provided directly by the system or  
31 through contracts with other providers.

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

39 (3) The system may assess a charge, in an amount to be determined by the system, against the  
40 total account balances in the Deferred Compensation Fund of all local governments that have en-  
41 tered into service agreements under this section. The charge imposed under this subsection is in  
42 addition to any charges that may be assessed against local governments by the system under ORS  
43 243.474 or deducted by the **Oregon Investment Department or the** State Treasurer under ORS  
44 293.718.

45 (4) In the event the assessment provided for in subsection (3) of this section is inadequate to

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

6 **SECTION 70.** ORS 243.482 is amended to read:

7 243.482. (1) A civil action for damages may not be brought against the state, the State Treasurer,  
 8 **the Oregon Investment Department**, the Oregon Investment Council, the Public Employees Re-  
 9 tirement Board, or the officers or employees of the **department, council or** board by reason of:

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

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

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

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

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

31 **SECTION 71.** ORS 244.020 is amended to read:

32 244.020. As used in this chapter, unless the context requires otherwise:

33 (1) "Actual conflict of interest" means any action or any decision or recommendation by a per-  
 34 son acting in a capacity as a public official, the effect of which would be to the private pecuniary  
 35 benefit or detriment of the person or the person's relative or any business with which the person  
 36 or a relative of the person is associated unless the pecuniary benefit or detriment arises out of cir-  
 37 cumstances described in subsection (12) of this section.

38 (2) "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise,  
 39 association, organization, self-employed individual and any other legal entity operated for economic  
 40 gain but excluding any income-producing not-for-profit corporation that is tax exempt under section  
 41 501(c) of the Internal Revenue Code with which a public official or a relative of the public official  
 42 is associated only as a member or board director or in a nonremunerative capacity.

43 (3) "Business with which the person is associated" means:

44 (a) Any private business or closely held corporation of which the person or the person's relative  
 45 is a director, officer, owner or employee, or agent or any private business or closely held corpo-

1 ration in which the person or the person's relative owns or has owned stock, another form of equity  
 2 interest, stock options or debt instruments worth \$1,000 or more at any point in the preceding cal-  
 3 endar year;

4 (b) Any publicly held corporation in which the person or the person's relative owns or has  
 5 owned \$100,000 or more in stock or another form of equity interest, stock options or debt instru-  
 6 ments at any point in the preceding calendar year;

7 (c) Any publicly held corporation of which the person or the person's relative is a director or  
 8 officer; or

9 (d) For public officials required to file a statement of economic interest under ORS 244.050, any  
 10 business listed as a source of income as required under ORS 244.060 (3).

11 (4) "Candidate" means an individual for whom a declaration of candidacy, nominating petition  
 12 or certificate of nomination to public office has been filed or whose name is printed on a ballot or  
 13 is expected to be or has been presented, with the individual's consent, for nomination or election to  
 14 public office.

15 (5) "Development commission" means any entity that has the authority to purchase, develop,  
 16 improve or lease land or the authority to operate or direct the use of land. This authority must be  
 17 more than ministerial.

18 (6)(a) "Gift" means something of economic value given to a public official, a candidate or a rel-  
 19 ative or member of the household of the public official or candidate:

20 (A) Without valuable consideration of equivalent value, including the full or partial forgiveness  
 21 of indebtedness, which is not extended to others who are not public officials or candidates or the  
 22 relatives or members of the household of public officials or candidates on the same terms and con-  
 23 ditions; or

24 (B) For valuable consideration less than that required from others who are not public officials  
 25 or candidates.

26 (b) "Gift" does not mean:

27 (A) Contributions as defined in ORS 260.005.

28 (B) Gifts from relatives or members of the household of the public official or candidate.

29 (C) An unsolicited token or award of appreciation in the form of a plaque, trophy, desk item,  
 30 wall memento or similar item, with a resale value reasonably expected to be less than \$25.

31 (D) Informational or program material, publications or subscriptions related to the recipient's  
 32 performance of official duties.

33 (E) Admission provided to or the cost of food or beverage consumed by a public official, or a  
 34 member of the household or staff of the public official when accompanying the public official, at a  
 35 reception, meal or meeting held by an organization when the public official represents state gov-  
 36 ernment as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special gov-  
 37 ernment body as defined in ORS 174.117.

38 (F) Reasonable expenses paid by any unit of the federal government, a state or local government,  
 39 a Native American tribe that is recognized by federal law or formally acknowledged by a state, a  
 40 membership organization to which a public body as defined in ORS 174.109 pays membership dues  
 41 or a not-for-profit corporation that is tax exempt under section 501(c)(3) of the Internal Revenue  
 42 Code, for attendance at a convention, fact-finding mission or trip, conference or other meeting if the  
 43 public official is scheduled to deliver a speech, make a presentation, participate on a panel or rep-  
 44 resent state government as defined in ORS 174.111, a local government as defined in ORS 174.116  
 45 or a special government body as defined in ORS 174.117.



1 (G) Contributions made to a legal expense trust fund established under ORS 244.209 for the  
2 benefit of the public official.

3 (H) Reasonable food, travel or lodging expenses provided to a public official, a relative of the  
4 public official accompanying the public official, a member of the household of the public official ac-  
5 companying the public official or a staff member of the public official accompanying the public offi-  
6 cial, when the public official is representing state government as defined in ORS 174.111, a local  
7 government as defined in ORS 174.116 or a special government body as defined in ORS 174.117:

8 (i) On an officially sanctioned trade-promotion or fact-finding mission; or

9 (ii) In officially designated negotiations, or economic development activities, where receipt of the  
10 expenses is approved in advance.

11 (I) Food or beverage consumed by a public official acting in an official capacity:

12 (i) In association with the review, approval, execution of documents or closing of a borrowing,  
13 investment or other financial transaction, including any business agreement between state govern-  
14 ment as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special govern-  
15 ment body as defined in ORS 174.117 and a private entity or public body as defined in ORS 174.109;

16 (ii) While engaged in due diligence research or presentations by the office of the State  
17 Treasurer, **the Oregon Investment Department or the Oregon Investment Council** related to  
18 an existing or proposed investment or borrowing; or

19 (iii) While engaged in a meeting of an advisory, governance or policy-making body of a corpo-  
20 ration, partnership or other entity in which the office of the State Treasurer, **the Oregon Invest-**  
21 **ment Department or the Oregon Investment Council** has invested moneys.

22 (J) Waiver or discount of registration expenses or materials provided to a public official or  
23 candidate at a continuing education event that the public official or candidate may attend to satisfy  
24 a professional licensing requirement.

25 (K) Expenses provided by one public official to another public official for travel inside this state  
26 to or from an event that bears a relationship to the receiving public official's office and at which  
27 the official participates in an official capacity.

28 (L) Food or beverage consumed by a public official or candidate at a reception where the food  
29 or beverage is provided as an incidental part of the reception and no cost is placed on the food or  
30 beverage.

31 (M) Entertainment provided to a public official or candidate or a relative or member of the  
32 household of the public official or candidate that is incidental to the main purpose of another event.

33 (N) Entertainment provided to a public official or a relative or member of the household of the  
34 public official where the public official is acting in an official capacity while representing state  
35 government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special  
36 government body as defined in ORS 174.117 for a ceremonial purpose.

37 (O) Anything of economic value offered to or solicited or received by a public official or candi-  
38 date, or a relative or member of the household of the public official or candidate:

39 (i) As part of the usual and customary practice of the person's private business, or the person's  
40 employment or position as a volunteer with a private business, corporation, partnership,  
41 proprietorship, firm, enterprise, franchise, association, organization, not-for-profit corporation or  
42 other legal entity operated for economic value; and

43 (ii) That bears no relationship to the public official's or candidate's holding of, or candidacy for,  
44 the official position or public office.

45 (P) Reasonable expenses paid to a public school employee for accompanying students on an ed-

1 ucatational trip.

2 (7) "Honorarium" means a payment or something of economic value given to a public official in  
 3 exchange for services upon which custom or propriety prevents the setting of a price. Services in-  
 4 clude, but are not limited to, speeches or other services rendered in connection with an event.

5 (8) "Income" means income of any nature derived from any source, including, but not limited to,  
 6 any salary, wage, advance, payment, dividend, interest, rent, honorarium, return of capital,  
 7 forgiveness of indebtedness, or anything of economic value.

8 (9) "Legislative or administrative interest" means an economic interest, distinct from that of the  
 9 general public, in:

10 (a) Any matter subject to the decision or vote of the public official acting in the public official's  
 11 capacity as a public official; or

12 (b) Any matter that would be subject to the decision or vote of the candidate who, if elected,  
 13 would be acting in the capacity of a public official.

14 (10) "Member of the household" means any person who resides with the public official or can-  
 15 didate.

16 (11) "Planning commission" means a county planning commission created under ORS chapter 215  
 17 or a city planning commission created under ORS chapter 227.

18 (12) "Potential conflict of interest" means any action or any decision or recommendation by a  
 19 person acting in a capacity as a public official, the effect of which could be to the private pecuniary  
 20 benefit or detriment of the person or the person's relative, or a business with which the person or  
 21 the person's relative is associated, unless the pecuniary benefit or detriment arises out of the fol-  
 22 lowing:

23 (a) An interest or membership in a particular business, industry, occupation or other class re-  
 24 quired by law as a prerequisite to the holding by the person of the office or position.

25 (b) Any action in the person's official capacity which would affect to the same degree a class  
 26 consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or  
 27 other group including one of which or in which the person, or the person's relative or business with  
 28 which the person or the person's relative is associated, is a member or is engaged.

29 (c) Membership in or membership on the board of directors of a nonprofit corporation that is  
 30 tax-exempt under section 501(c) of the Internal Revenue Code.

31 (13) "Public office" has the meaning given that term in ORS 260.005.

32 (14) "Public official" means any person who, when an alleged violation of this chapter occurs,  
 33 is serving the State of Oregon or any of its political subdivisions or any other public body as defined  
 34 in ORS 174.109 as an elected official, appointed official, employee or agent, irrespective of whether  
 35 the person is compensated for the services.

36 (15) "Relative" means:

37 (a) The spouse, parent, stepparent, child, sibling, stepsibling, son-in-law or daughter-in-law of the  
 38 public official or candidate;

39 (b) The parent, stepparent, child, sibling, stepsibling, son-in-law or daughter-in-law of the spouse  
 40 of the public official or candidate;

41 (c) Any individual for whom the public official or candidate has a legal support obligation;

42 (d) Any individual for whom the public official provides benefits arising from the public official's  
 43 public employment or from whom the public official receives benefits arising from that individual's  
 44 employment; or

45 (e) Any individual from whom the candidate receives benefits arising from that individual's em-

1 ployment.

2 (16) "Statement of economic interest" means a statement as described by ORS 244.060 or 244.070.

3 (17) "Zoning commission" means an entity to which is delegated at least some of the discre-  
 4 tionary authority of a planning commission or governing body relating to zoning and land use mat-  
 5 ters.

6 **SECTION 72.** ORS 244.045 is amended to read:

7 244.045. (1) A person who has been a Public Utility Commissioner, the Director of the Depart-  
 8 ment of Consumer and Business Services, the Administrator of the Division of Finance and Corpo-  
 9 rate Securities, the Administrator of the Insurance Division, the Administrator of the Oregon Liquor  
 10 Control Commission or the Director of the Oregon State Lottery shall not:

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

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

16 (A) Be a lobbyist for or appear as a representative before the agency over which the person  
 17 exercised authority as a public official;

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

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

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

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

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

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

32 (c) Be a lobbyist for an investment institution, manager or consultant, or appear before the of-  
 33 fice of the State Treasurer, **the Oregon Investment Department** or **the Oregon Investment**  
 34 **Council** as a representative of an investment institution, manager or consultant.

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

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

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

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

41 **(b) Paragraph (a)(A) and (B) of this subsection does not apply to an individual who is**  
 42 **employed by the Oregon Investment Department and who, as part of the individual's duties,**  
 43 **invested public funds.**

44 (5)(a) A person who has been a member of the Department of State Police, who has held a po-  
 45 sition with the department with the responsibility for supervising, directing or administering pro-

1 grams relating to gaming by a Native American tribe or the Oregon State Lottery and who has been  
 2 designated by the Superintendent of State Police by rule shall not, within one year after the member  
 3 of the Department of State Police ceases to hold the position:

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

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

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

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

10 (b) This subsection does not apply to:

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

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

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

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

16 (c) As used in this subsection, "Native American tribe" means any recognized Native American  
 17 tribe or band of tribes authorized by the Indian Gaming Regulatory Act of October 17, 1988 (Public  
 18 Law 100-497), 25 U.S.C. 2701 et seq., to conduct gambling operations on tribal land.

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

24 **SECTION 73.** ORS 244.047 is amended to read:

25 244.047. (1) As used in this section:

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

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

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

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

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

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

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

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

39 **(b) An employee of the office of the State Treasurer who is subsequently employed by the**  
 40 **Oregon Investment Department.**

41 **SECTION 74.** ORS 244.050 is amended to read:

42 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
 43 Government Ethics Commission a verified statement of economic interest as required under this  
 44 chapter:

45 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the

1 Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

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

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

5 (d) The Deputy Attorney General.

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

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

10 (g) The following state officers:

11 (A) Adjutant General.

12 (B) Director of Agriculture.

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

14 (D) Water Resources Director.

15 (E) Director of Department of Environmental Quality.

16 (F) Director of Oregon Department of Administrative Services.

17 (G) State Fish and Wildlife Director.

18 (H) State Forester.

19 (I) State Geologist.

20 (J) Director of Human Services.

21 (K) Director of the Department of Consumer and Business Services.

22 (L) Director of the Department of State Lands.

23 (M) State Librarian.

24 (N) Administrator of Oregon Liquor Control Commission.

25 (O) Superintendent of State Police.

26 (P) Director of the Public Employees Retirement System.

27 (Q) Director of Department of Revenue.

28 (R) Director of Transportation.

29 (S) Public Utility Commissioner.

30 (T) Director of Veterans' Affairs.

31 (U) Executive director of Oregon Government Ethics Commission.

32 (V) Director of the State Department of Energy.

33 (W) Director and each assistant director of the Oregon State Lottery.

34 (X) Director of the Department of Corrections.

35 (Y) Director of the Oregon Department of Aviation.

36 (Z) Executive director of the Oregon Criminal Justice Commission.

37 (AA) Director of the Oregon Business Development Department.

38 (BB) Director of the Office of Emergency Management.

39 (CC) Director of the Employment Department.

40 (DD) Chief of staff for the Governor.

41 (EE) Administrator of the Office for Oregon Health Policy and Research.

42 (FF) Director of the Housing and Community Services Department.

43 (GG) State Court Administrator.

44 (HH) Director of the Department of Land Conservation and Development.

45 (II) Board chairperson of the Land Use Board of Appeals.

- 1 (JJ) State Marine Director.
- 2 (KK) Executive director of the Oregon Racing Commission.
- 3 (LL) State Parks and Recreation Director.
- 4 (MM) Public defense services executive director.
- 5 (NN) Chairperson of the Public Employees' Benefit Board.
- 6 (OO) Director of the Department of Public Safety Standards and Training.
- 7 (PP) Executive director of the Higher Education Coordinating Commission.
- 8 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 9 (RR) Director of the Oregon Youth Authority.
- 10 (SS) Director of the Oregon Health Authority.
- 11 (TT) Deputy Superintendent of Public Instruction.
- 12 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 13 (i) Every elected city or county official.
- 14 (j) Every member of a city or county planning, zoning or development commission.
- 15 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
- 16 cipal administrator of the city or county.
- 17 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 18 (m) Every member of a governing body of a metropolitan service district and the executive of-
- 19 ficer thereof.
- 20 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 21 (o) The chief administrative officer and the financial officer of each common and union high
- 22 school district, education service district and community college district.
- 23 (p) Every member of the following state boards and commissions:
- 24 (A) Board of Geologic and Mineral Industries.
- 25 (B) Oregon Business Development Commission.
- 26 (C) State Board of Education.
- 27 (D) Environmental Quality Commission.
- 28 (E) Fish and Wildlife Commission of the State of Oregon.
- 29 (F) State Board of Forestry.
- 30 (G) Oregon Government Ethics Commission.
- 31 (H) Oregon Health Policy Board.
- 32 (I) State Board of Higher Education.
- 33 (J) Oregon Investment Council.
- 34 (K) Land Conservation and Development Commission.
- 35 (L) Oregon Liquor Control Commission.
- 36 (M) Oregon Short Term Fund Board.
- 37 (N) State Marine Board.
- 38 (O) Mass transit district boards.
- 39 (P) Energy Facility Siting Council.
- 40 (Q) Board of Commissioners of the Port of Portland.
- 41 (R) Employment Relations Board.
- 42 (S) Public Employees Retirement Board.
- 43 (T) Oregon Racing Commission.
- 44 (U) Oregon Transportation Commission.
- 45 (V) Water Resources Commission.

- 1 (W) Workers' Compensation Board.  
 2 (X) Oregon Facilities Authority.  
 3 (Y) Oregon State Lottery Commission.  
 4 (Z) Pacific Northwest Electric Power and Conservation Planning Council.  
 5 (AA) Columbia River Gorge Commission.  
 6 (BB) Oregon Health and Science University Board of Directors.  
 7 (CC) Capitol Planning Commission.  
 8 (DD) Higher Education Coordinating Commission.  
 9 (EE) Oregon Growth Board.  
 10 (FF) Early Learning Council.  
 11 (q) The following officers of the State Treasurer:  
 12 (A) Deputy State Treasurer.  
 13 (B) Chief of staff for the office of the State Treasurer.  
 14 [(C) Director of the Investment Division.]  
 15 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725  
 16 or 777.915 to 777.953.  
 17 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.  
 18 (t) Every member of a governing board of a public university with a governing board listed in  
 19 ORS 352.054.  
 20 **(u) The Director of the Oregon Investment Department.**  
 21 (2) By April 15 next after the date an appointment takes effect, every appointed public official  
 22 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-  
 23 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070  
 24 and 244.090.  
 25 (3) By April 15 next after the filing deadline for the primary election, each candidate described  
 26 in subsection (1) of this section shall file with the commission a statement of economic interest as  
 27 required under ORS 244.060, 244.070 and 244.090.  
 28 (4) Within 30 days after the filing deadline for the general election, each candidate described in  
 29 subsection (1) of this section who was not a candidate in the preceding primary election, or who  
 30 was nominated for public office described in subsection (1) of this section at the preceding primary  
 31 election by write-in votes, shall file with the commission a statement of economic interest as re-  
 32 quired under ORS 244.060, 244.070 and 244.090.  
 33 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or  
 34 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections  
 35 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the  
 36 filing deadline for the statewide general election.  
 37 (6) If a statement required to be filed under this section has not been received by the commis-  
 38 sion within five days after the date the statement is due, the commission shall notify the public of-  
 39 ficial or candidate and give the public official or candidate not less than 15 days to comply with the  
 40 requirements of this section. If the public official or candidate fails to comply by the date set by the  
 41 commission, the commission may impose a civil penalty as provided in ORS 244.350.  
 42 **SECTION 75.** ORS 244.055 is amended to read:  
 43 244.055. (1) [In addition to the statement required by ORS 244.050,] The State Treasurer, **the**  
 44 **Deputy State Treasurer, the chief of staff for the office of the State Treasurer and the di-**  
 45 **rectors of the Finance Division and the Debt Management Division** [and any person listed under

1 *ORS 244.050 (1)(q) and this subsection*] shall file quarterly at a time fixed by the State Treasurer a  
 2 trading statement listing all stocks, bonds and other types of securities purchased or sold during the  
 3 preceding quarter[.].

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

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

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

8 (2) The statement required by subsection (1) of this section shall be filed for review with the  
 9 State Treasurer, the Attorney General and the Division of Audits of the office of the Secretary of  
 10 State. The content of the statement [*is confidential*] **may not be disclosed as a public record under**  
 11 **ORS 192.410 to 192.505.**

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

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

21 **(5) Any employees of the Oregon Investment Department who provide advice or make**  
 22 **decisions with respect to the acquisition, sale or other disposition of investments of the de-**  
 23 **partment, shall file quarterly, at a time fixed by the Director of the Oregon Investment De-**  
 24 **partment, a trading statement listing all stocks, bonds and other types of securities**  
 25 **purchased or sold during the preceding quarter. The statement shall be filed for review with**  
 26 **the Attorney General and the Division of Audits of the office of the Secretary of State. The**  
 27 **content of the statement may not be disclosed as a public record under ORS 192.410 to**  
 28 **192.505.**

29 **(6) If the Director of the Oregon Investment Department determines that a conflict of**  
 30 **interest exists for an employee or a violation of the Oregon Investment Council's code of**  
 31 **ethics has occurred, the director shall subject the person to appropriate discipline. If the**  
 32 **director has sufficient cause to reasonably believe that a violation of this chapter has oc-**  
 33 **curring, the director shall file a complaint with the Oregon Government Ethics Commission**  
 34 **under ORS 244.260.**

35 **SECTION 76.** ORS 293.708 is amended to read:

36 293.708. (1) As used in this section:

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

38 (b) "Business with which the person is associated" has the meaning given that term in ORS  
 39 244.020.

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

41 (2) When a person who is a member of the Oregon Investment Council becomes aware that  
 42 action on a matter pending before the council might lead to private pecuniary benefit or detriment  
 43 to the person, to a relative of the person or to a business with which the person or a relative of the  
 44 person is associated, the member shall notify in writing the [*State Treasurer or the Deputy State*  
 45 *Treasurer*] **Director of the Oregon Investment Department and the chairperson of the council**



1 that any action, decision or recommendation by the member might constitute an actual or potential  
2 conflict of interest. The member shall provide the notice not later than three business days after the  
3 member becomes aware of the possibility of an actual or potential conflict.

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

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

9 (5) Nothing in this section excuses a member of the council from compliance with ORS 244.120.

10 **SECTION 77.** ORS 246.590 is amended to read:

11 246.590. (1) The State Treasurer, [*in the capacity of investment officer for the Oregon Investment*  
12 *Council,*] **for the Oregon Short Term Fund, or the Oregon Investment Department** may lend  
13 moneys in the investment funds, **or any other moneys the State Treasurer or the department**  
14 **is charged by law with investing**, as provided in ORS 293.701 to 293.857 for the acquisition of:

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

17 (b) Computers or computer systems for the purpose of maintaining and updating elector regis-  
18 tration files or for establishing cross-county elector registration files, including those that the Sec-  
19 retary of State has contracted to sell to a county.

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

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

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

26 (3) Moneys lent under this section shall be repaid within five years together with interest at a  
27 rate agreed upon by the State Treasurer, **or the department**, and the Secretary of State.

28 **SECTION 78.** ORS 273.413 is amended to read:

29 273.413. (1) The Department of State Lands may dispose of isolated sections and fragments of  
30 sections of state lands which are not suitable for management according to long-range policies of  
31 the State Land Board. The proceeds of such sales shall be applied and are continuously appropriated  
32 to the Department of State Lands for the acquisition of lands or other suitable investments as di-  
33 rected by the board in consultation with the Oregon Investment [*Council*] **Department**.

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

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

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

43 (5) Before disposing of lands described in subsection (1) of this section, the Department of State  
44 Lands shall cause owners or lessees of land adjoining the land to be notified of the  
45 pending disposition. The notice shall indicate the time and method of sale, the minimum or reserved

1 price, if any, and shall invite the landowners or lessees to participate as a prospective purchaser if  
2 the landowner or lessee wishes to do so.

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

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

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

9 **SECTION 79.** ORS 276.013 is amended to read:

10 276.013. When the Director of the Oregon Department of Administrative Services determines  
11 that an office building as defined in ORS 276.110 would be the best means to further the public  
12 policy of this state as declared in ORS 276.426, or otherwise to accomplish the purposes of ORS  
13 276.005 (1), the Oregon Department of Administrative Services may request the [*State Treasurer*  
14 *and*] **Oregon Investment Department and the** investing agency, as defined in ORS 276.110, to loan  
15 funds to acquire the buildings necessary to carry out that policy.

16 **SECTION 80.** ORS 276.015 is amended to read:

17 276.015. For the purposes of ORS 276.002 to 276.007 and 276.010 to 276.137, the [*State*  
18 *Treasurer*] **Oregon Investment Department**, with the approval of the investing agency, as defined  
19 in ORS 276.110, **and consistent with investment policies of the Oregon Investment Council**,  
20 may invest not to exceed seven percent of the moneys in any appropriate fund included in the in-  
21 vestment funds, as defined in ORS 293.701, on such terms and conditions as the [*State Treasurer*]  
22 **Oregon Investment Department**, the investing agency and the Oregon Department of Adminis-  
23 trative Services determine.

24 **SECTION 81.** ORS 276.110 is amended to read:

25 276.110. As used in ORS 276.013, 276.015 and 276.110 to 276.137, unless the context requires  
26 otherwise:

27 (1) "Cost of acquisition" includes the costs of sites, plans, specifications, architects' fees, interest  
28 on investments of the investing funds and all other costs related to the erection and equipping of  
29 office buildings or to the purchase, alteration, repair and equipping of buildings for office purposes.

30 (2) "Investing agency" means the board, commission, department or other agency whose funds  
31 are defined as investment funds in ORS 293.701.

32 (3) "Investing funds" means those funds enumerated in ORS 293.701 (2), when invested pursuant  
33 to ORS 276.013, 276.015 and 276.110 to 276.137.

34 (4) "Office building" means any building in the State of Oregon acquired under ORS 276.013,  
35 276.015 and 276.110 to 276.137, by appropriation therefor, or as otherwise provided by law, to provide  
36 centralized office quarters for state agencies and may include parking, storage, motor pool and ser-  
37 vice facilities.

38 [(5) "*State Treasurer*" means the *State Treasurer in the capacity of investment officer for the*  
39 *Oregon Investment Council.*]

40 **SECTION 82.** ORS 285A.306 is amended to read:

41 285A.306. (1) There is established in the State Treasury, separate and distinct from the General  
42 Fund, the Title I Bank Fund. All moneys in the fund are continuously appropriated to the Oregon  
43 Business Development Department for the Oregon Infrastructure Finance Authority to provide fi-  
44 nancing for community development projects. Interest earned by the Title I Bank Fund shall be  
45 credited to the fund.

1 (2) Moneys in the Title I Bank Fund[, *with the approval of the State Treasurer,*] may be invested  
 2 as provided by ORS 293.701 to 293.857, and the earnings from such investments and other program  
 3 income shall be credited to the Title I Bank Fund.

4 (3) The Title I Bank Fund shall consist of:

5 (a) Moneys appropriated to the fund by the Legislative Assembly.

6 (b) Repayment of loans made by cities and counties with grants from the Oregon Community  
 7 Development Block Grant Program, including interest earnings.

8 (4) The Oregon Infrastructure Finance Authority shall administer the fund.

9 (5) The department shall adopt rules and policies for the administration of the fund.

10 (6) The authority may charge program administrative costs to the fund to pay for administrative  
 11 expenses incurred to the authority for processing applications and investigating community devel-  
 12 opment projects.

13 **SECTION 83.** ORS 285A.654 is amended to read:

14 285A.654. (1) There is created within the State Treasury, separate and distinct from the General  
 15 Fund, the Port Planning and Marketing Fund. All moneys in the Port Planning and Marketing Fund  
 16 are appropriated continuously to the Oregon Business Development Department for the Oregon  
 17 Infrastructure Finance Authority and shall be used by the authority for:

18 (a) Administrative expenses of the authority in processing grant applications and investigating  
 19 proposed planning or marketing projects related to ports.

20 (b) Payment of grants under ORS 285A.654 to 285A.660 to ports formed under ORS 777.010 and  
 21 777.050.

22 (c) Direct purchase by the authority of goods or services to assist ports in implementing plan-  
 23 ning or marketing projects approved for grant financing under ORS 285A.654 to 285A.660.

24 (2) The Port Planning and Marketing Fund shall consist of:

25 (a) Moneys appropriated to the fund by the Legislative Assembly.

26 (b) Moneys obtained from gifts or grants received under ORS 285A.200.

27 (c) Moneys obtained from interest earned on the investment of such moneys.

28 (3) Moneys in the Port Planning and Marketing Fund[, *with the approval of the State*  
 29 *Treasurer,*] may be invested as provided by ORS 293.701 to 293.857, and the earnings from such in-  
 30 vestments shall be credited to the Port Planning and Marketing Fund.

31 **SECTION 84.** ORS 285B.119 is amended to read:

32 285B.119. (1) There is established in the State Treasury, separate and distinct from the General  
 33 Fund, the Capital Access Fund. All moneys in the fund are continuously appropriated to the Oregon  
 34 Business Development Department for the purpose of making payments to loss reserve accounts es-  
 35 tablished under ORS 285B.109 to 285B.119.

36 (2) Moneys in the Capital Access Fund[, *with the approval of the State Treasurer,*] may be in-  
 37 vested as provided by ORS 293.701 to 293.857, and the earnings from such investment shall be  
 38 credited to the Capital Access Fund.

39 (3) The Capital Access Fund shall consist of:

40 (a) Moneys appropriated to the fund by the Legislative Assembly.

41 (b) Interest earned on moneys in the fund.

42 (c) Moneys returned to the fund from loss reserve accounts or other sources.

43 (4) If the department deems retrieval of interest earned on loss reserve accounts appropriate,  
 44 the department may transfer into the fund up to 50 percent of the interest earned on moneys in loss  
 45 reserve accounts.

1 (5) The department may charge administrative costs to the fund to pay for actual and necessary  
 2 administrative expenses incurred by the department in administering the fund and establishing and  
 3 maintaining loss reserve accounts under ORS 285B.109 to 285B.119.

4 **SECTION 85.** ORS 286A.025 is amended to read:

5 286A.025. (1) The State Treasurer may, at the request of a related agency:

6 (a) Issue bonds when a law of the State of Oregon authorizes bonds to be issued; and

7 (b) Issue refunding bonds without additional authorization.

8 (2) In consultation with the related agency, the State Treasurer may:

9 (a) Sell bonds at a competitive sale or a negotiated sale or in any other manner determined by  
 10 the State Treasurer;

11 (b) Issue bonds the interest of which is exempt from federal income taxation or is not exempt  
 12 from federal income taxation;

13 (c) Establish the principal amounts, redemption provisions, optional or mandatory tender pro-  
 14 visions, interest rates or methods for determining variable or adjustable interest rates, denomi-  
 15 nations and other terms and conditions of the bonds;

16 (d) Establish maturity dates for bonds to provide for short-term, interim or long-term borrowing;

17 (e) Determine the form and content of a bond offering or disclosure document;

18 (f) Structure, market and issue bonds in the manner that the State Treasurer determines is in  
 19 the best interest of the people of the State of Oregon; and

20 (g) Invest moneys held in connection with or derived from obligations, as defined in ORS  
 21 286A.100, without regard to the fund or account to which the moneys are credited under other  
 22 provisions of law, alone or with other invested moneys. In addition, the State Treasurer may:

23 (A) Establish funds and accounts separate and distinct from the General Fund in order [*to*  
 24 *invest*] **that** the moneys **may be invested** as provided in ORS 293.701 to 293.857 and to arrange for  
 25 redemption or purchase of bonds; and

26 (B) Segregate or pool moneys in order to promote financial and administrative efficiency and  
 27 prudence in the management of moneys derived from obligations, as defined in ORS 286A.100, mon-  
 28 eys available for bond repayment and other moneys, and in the administration of bond programs.

29 (3) Subject to the approval of the State Treasurer, moneys described in subsection (2)(g) of this  
 30 section may be held by a trustee under a trust agreement, indenture, bond declaration or similar  
 31 instrument and may be invested by the trustee at the direction of the related agency for which the  
 32 moneys are held by the trustee. If consistent with the trust agreement, indenture, bond declaration  
 33 or similar instrument, a related agency may authorize a trustee to invest on behalf of the agency  
 34 in the investment funds or with other moneys invested [*by the State Treasurer*] under ORS 293.701  
 35 to 293.857 and may authorize a transfer of the moneys from the State Treasurer to the trustee.

36 (4) In addition to authority conferred by law other than this section, the State Treasurer or,  
 37 with the approval of the State Treasurer, a related agency may:

38 (a) Execute and deliver indentures, trust agreements, auction agent agreements, broker-dealer  
 39 agreements, tender agent agreements, bond declarations or similar instruments and other contracts  
 40 related to the sale, issuance or security of the bonds;

41 (b) Deposit funds with trustees for the benefit of bond owners and the providers of credit en-  
 42 hancement devices; and

43 (c) Enter into covenants for the benefit of bond owners or the providers of credit enhancement  
 44 devices.

45 (5) The covenants authorized by subsection (4)(c) of this section:

1 (a) May include, but are not limited to, covenants regarding the issuance of additional bonds,  
 2 the priority of payment of bonds and, if authorized by law other than this section, the imposition  
 3 and collection of rates, fees or other charges; and

4 (b) Are intended to:

5 (A) Improve the security of bond owners or providers of credit enhancement devices; or

6 (B) Maintain the tax-exempt status of interest payable on bonds.

7 (6) In addition to authority conferred by law other than this section, in consultation with the  
 8 related agency, the State Treasurer may establish a debt service reserve for the purpose of paying  
 9 when due the amounts owing on the bonds for which the debt service reserve is established. The  
 10 debt service reserve may be funded out of the proceeds derived from the issuance and sale of the  
 11 bonds for which the debt service reserve is being established or from other lawfully available funds.

12 (7) In consultation with the related agency, the State Treasurer shall select the underwriters for  
 13 the sale of the bonds requested by the related agency. An agreement with the underwriters may be  
 14 executed by the State Treasurer alone or with the related agency. An agreement with underwriters  
 15 is not subject to the Public Contracting Code.

16 **SECTION 86.** ORS 286A.145 is amended to read:

17 286A.145. (1) The State Treasurer or a related agency may enter into covenants for the benefit  
 18 of owners of bonds that are intended to allow the bonds to bear interest that is excluded from gross  
 19 income under the federal Internal Revenue Code or that is otherwise exempt from taxation by the  
 20 United States. The State Treasurer or a related agency may adopt rules or procedures that are in-  
 21 tended to facilitate compliance with those covenants, and may take any action that is required to  
 22 comply with those covenants. Covenants authorized by this subsection include, but are not limited  
 23 to, covenants to:

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

25 (b) Invest proceeds alone or in combination with other moneys in investments that have different  
 26 maturities, yields or credit qualities than the state would acquire under the investment **objective**  
 27 **and** standards specified in ORS 293.721 and 293.726 **and section 6 of this 2015 Act** and other sim-  
 28 ilar laws, but only if those investments facilitate compliance with covenants described in this sub-  
 29 section; or

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

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

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

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

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

40 **SECTION 87.** ORS 311.701 is amended to read:

41 311.701. (1) There is established in the State Treasury the Senior Property Tax Deferral Re-  
 42 volving Account to be used by the Department of Revenue for the purpose of making the payments  
 43 to:

44 (a) County tax collectors of property taxes deferred for tax years beginning on or after January  
 45 1, 1983, as required by ORS 311.676.

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

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

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

7 (3) All sums of money received by the Department of Revenue under ORS 311.666 to 311.701 as  
8 repayments of deferred property taxes or under ORS 311.702 to 311.735 as repayments of deferred  
9 special assessment improvement amounts, including the interest accrued under ORS 311.674 (3) or  
10 311.711 (3) shall, upon receipt, be credited to the revolving account and are continuously appropri-  
11 ated to the department for the purposes of subsection (1) of this section.

12 (4)(a) If there are not sufficient moneys in the revolving account to make the payments required  
13 by subsection (1) of this section, and the amount appropriated from the General Fund is not suffi-  
14 cient when added together with the moneys in the revolving account to provide an amount sufficient  
15 to make the required payments, the [State Treasurer, in the capacity of investment officer for the]  
16 Oregon Investment [Council,] **Department** may lend to the Department of Revenue such amounts  
17 as may be necessary to make the payments.

18 (b) The [State Treasurer] **Oregon Investment Department** may lend moneys that may be in-  
19 vested as provided in ORS 293.701 to 293.857.

20 (c) Any moneys lent under this subsection shall be repaid within five years together with in-  
21 terest at a rate determined by the [State Treasurer] **Oregon Investment Department** and consist-  
22 ent with the investment **objective and** standards [of] **set forth in** ORS 293.721 and 293.726 **and**  
23 **section 6 of this 2015 Act.**

24 **SECTION 88.** ORS 327.425 is amended to read:

25 327.425. (1) All moneys belonging to the Common School Fund and not required to meet current  
26 expenses shall be loaned by the Department of State Lands at a rate of interest fixed by the de-  
27 partment except as otherwise specified in ORS 348.050 (3). The Department **of State Lands** may  
28 consult with and obtain the recommendation of the Oregon Investment [Council] **Department** in  
29 fixing the interest rate.

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

33 (3) If at any time there is a Common School Fund surplus over and above all loans applied for,  
34 such portion of the surplus as the Department **of State Lands** deems proper may be invested as  
35 provided in ORS 293.701 to 293.857. The department may require the State Treasurer to deposit any  
36 such surplus, until it is able to loan same, in qualified state depositories, upon the same terms and  
37 conditions as other public funds are deposited therein, in which event any interest received from  
38 any such state depository shall be credited to the fund on which such interest was earned.

39 (4) Except as provided in ORS 348.050 (3), the Department **of State Lands** may reduce the rate  
40 of interest to be paid upon outstanding loans from the Common School Fund and any trust fund  
41 placed in its charge, to correspond with the rate of interest to be paid upon new loans, but no re-  
42 duction in rate of interest shall be made upon any of the loans until interest at the old rate has been  
43 paid in full to date of receipt of remittance at the office of the department.

44 **SECTION 89.** ORS 351.086 is amended to read:

45 351.086. (1) Except as otherwise provided in this chapter and ORS chapter 352, the provisions

1 of ORS chapters 182, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291 and 292 and ORS  
 2 180.060, 180.160, 180.210, 180.220, 180.225 and 180.230 do not apply to the Oregon University System.

3 (2)(a) Notwithstanding subsection (1) of this section, the provisions of ORS 182.100, 182.109,  
 4 240.167, 276.073 to 276.090, 279A.065 (2), 279B.055 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625,  
 5 279C.800 to 279C.870, 283.085 to 283.092, 291.200, 291.201 to 291.222, 291.223, 291.224 (2) and (6),  
 6 291.226, 291.272 to 291.278, 291.322 to 291.334, 291.405, 291.407, 291.445, 292.043 and 292.044 apply to  
 7 the Oregon University System.

8 (b) ORS 279C.800 to 279C.870 apply to an agreement under the terms of which a private entity  
 9 constructs, reconstructs, renovates or paints an improvement on real property that the Oregon  
 10 University System or an institution in the Oregon University System owns.

11 (3) Notwithstanding subsection (1) of this section, ORS 273.413 to 273.456 apply to any structure,  
 12 equipment or asset the Oregon University System owns and that is encumbered by a certificate of  
 13 participation.

14 (4) Notwithstanding subsection (6) of this section:

15 (a) The provisions of ORS chapters 35, 190, 192, 244 and 297 and ORS 30.260 to 30.460, 184.480,  
 16 184.483, 184.486, 184.488, 200.005 to 200.025, 200.045 to 200.090, 200.100 to 200.120, 200.160 to 200.200,  
 17 236.605 to 236.640, 243.650 to 243.782, 243.800, 243.820, 243.830, 243.850, 243.910 to 243.945, 307.090  
 18 and 307.112 apply to the Oregon University System under the same terms as they apply to other  
 19 public bodies other than the State of Oregon.

20 (b) The provisions of ORS chapter 286A and ORS 293.115, 293.117, 293.130, 293.169, 293.171,  
 21 293.205 to 293.225, 293.250, 293.265 to 293.280, 293.285, 293.295, 293.321, 293.353, 293.375, 293.406,  
 22 293.465 to 293.485, 293.490, 293.495, 293.525, 293.701 to 293.857, 293.875, 293.880 and 293.990 apply to  
 23 the Oregon University System under the same terms as they apply to state agencies with moneys  
 24 held by the State Treasurer **or the Oregon Investment Department**, to the Oregon University  
 25 System Fund established in ORS 351.506 and to any other moneys deposited with or held by the  
 26 State Treasurer **or the department** for the Oregon University System.

27 (5) Notwithstanding subsections (1) and (6) of this section, the Oregon University System and the  
 28 agents and employees of the Oregon University System remain subject to all statutes and adminis-  
 29 trative rules of this state that create rights, benefits or protections in favor of military veterans,  
 30 service members and families of service members to the same extent as an agency of this state  
 31 would be subject to such statutes and administrative rules.

32 (6)(a) Except as provided by paragraph (b) of this subsection, the Oregon University System, as  
 33 a distinct governmental entity, is not subject to any provision of law enacted after January 1, 2011,  
 34 with respect to any governmental entity, that is unique to governmental entities, unless the pro-  
 35 vision specifically provides that the provision applies to the Oregon University System.

36 (b) To the same extent as state agencies that borrow through the State Treasurer or that have  
 37 moneys held in the State Treasury, the Oregon University System is subject to any provision of law  
 38 enacted after January 1, 2011, that relates to or affects the borrowings of the Oregon University  
 39 System through the State Treasurer or the deposit, payment or investment of moneys held in the  
 40 Oregon University System Fund or any other moneys held for the Oregon University System in the  
 41 State Treasury.

42 (7) In carrying out the duties, functions and powers imposed by law upon the Oregon University  
 43 System, the State Board of Higher Education or the Chancellor of the Oregon University System  
 44 may contract with any public agency to perform duties, functions and powers that the board or  
 45 chancellor considers appropriate.

**SECTION 90.** ORS 351.695 is amended to read:

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

(2) Notwithstanding ORS 351.697 (5), the [*State Treasurer*] **Oregon Investment Department**, as payment for expenses, may deduct a fee pursuant to ORS 293.718 from a university venture development fund administered by a university listed in ORS 352.002 or the Oregon Health and Science University.

(3) A university listed in ORS 352.002 or the Oregon Health and Science University may direct that moneys credited to its university venture development fund be held and invested by the university's affiliated foundation. Any moneys held by an affiliated foundation under this section or ORS 351.697 are not subject to the provisions of ORS chapter 293 or 295 and may not be considered public or state funds for any purpose. Moneys transferred to an affiliated foundation under this section or ORS 351.697 may be used only as provided under **this section and** ORS 351.692, [*351.695,*] 351.697 and 353.445.

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

(5) A university listed in ORS 352.002 or the Oregon Health and Science University may retain or may elect to have its affiliated foundation retain some or all of the principal contributed to a university venture development fund for investment to perpetuate and increase the moneys available for expenditure. The balance of the fund and the earnings on that balance may be used as provided under **this section and** ORS 351.692, [*351.695,*] 351.697 and 353.445.

**SECTION 91.** ORS 367.015 is amended to read:

367.015. (1) There is established in the State Treasury, separate and distinct from the General Fund, the Oregon Transportation Infrastructure Fund. All moneys in the infrastructure fund are continuously appropriated to the Department of Transportation for the purposes of ORS 367.010 to 367.067.

(2) The infrastructure fund consists of:

(a) Moneys appropriated to the infrastructure fund by the Legislative Assembly.

(b) Moneys transferred to the infrastructure fund by the department from the State Highway Fund or from other funds available to the Oregon Transportation Commission.

(c) Moneys from any federal grant, state grant or other grant that are deposited in the infrastructure fund.

(d) Proceeds of infrastructure bonds.

(e) Proceeds of Highway User Tax Bonds issued under ORS 367.615 for the purpose of providing infrastructure assistance or an infrastructure loan.

(f) Moneys due to a municipality that are withheld pursuant to ORS 367.035 (3) or (5) and, for a loan made with proceeds of Highway User Tax Bonds, moneys due to a municipality that are withheld pursuant to ORS 367.655 (2)(c).

(g) Earnings on the infrastructure fund.

(h) Moneys paid to the department in connection with infrastructure loans or infrastructure assistance.

(i) Any grants or donations made to the State of Oregon for deposit in the infrastructure fund.

(3) A pledge by the department of its revenues or other moneys in the infrastructure fund is



1 valid and binding from the time the pledge is made as provided in ORS 286A.102.

2 (4) The department shall use moneys in the infrastructure fund solely to:

3 (a) Provide infrastructure loans and infrastructure assistance;

4 (b) Pay the bond debt service for infrastructure bonds and pay the costs of issuance and other  
5 costs related to infrastructure bonds;

6 (c) Pay the department's costs of administering the infrastructure fund and providing  
7 infrastructure loans and infrastructure assistance, including any costs of monitoring transportation  
8 projects and obtaining repayment of infrastructure loans and infrastructure assistance;

9 (d) Pay the department's or another public entity's costs for transportation projects including,  
10 but not limited to, projects funded with the proceeds of Highway User Tax Bonds; and

11 (e) Ensure repayment of loan guarantees or extensions of credit as provided in ORS 367.816.

12 (5) The department may establish separate accounts in the infrastructure fund for infrastructure  
13 loans, infrastructure assistance, the funding of infrastructure bond reserves, bond debt service pay-  
14 ments for infrastructure bonds and related costs, administrative and operating expenses or any other  
15 purpose necessary or desirable for carrying out the purposes of ORS 367.010 to 367.067. The com-  
16 mission may adopt rules that govern how the infrastructure fund and its accounts are used. The  
17 infrastructure fund or any of its accounts may be held by an escrow agent or bond trustee.

18 (6) The department shall administer the infrastructure fund. Moneys in the infrastructure  
19 fund[, *with the approval of the State Treasurer,*] may be invested as provided by ORS 293.701 to  
20 293.857 and the earnings from such investments must be credited to the account in the  
21 infrastructure fund designated by the department.

22 **SECTION 92.** ORS 390.135 is amended to read:

23 390.135. (1) Of the moneys deposited into the Parks and Natural Resources Fund created under  
24 ORS 541.940 from the Oregon State Lottery, 50 percent shall be deposited into a Parks Subaccount.  
25 [*The State Treasurer may invest and reinvest the*] Moneys in the Parks Subaccount **may be invested**  
26 as provided in ORS 293.701 to 293.857. Interest from the moneys deposited in the Parks Subaccount  
27 and earnings from investment of the moneys in the subaccount shall be credited to the subaccount.

28 (2) Moneys deposited from the Oregon State Lottery to the Parks Subaccount may be used only  
29 for:

30 (a) Maintaining, constructing, improving, developing, managing and operating state parks, ocean  
31 shores, public beach access areas, historic sites, natural areas and outdoor and recreation areas;

32 (b) Acquiring real property, or interests in real property, that has significant natural, scenic,  
33 cultural, historic or recreational value for the creation or operation of state parks, ocean shores,  
34 public beach access areas, outdoor recreation areas and historic sites; and

35 (c) Providing grants to regional or local government entities to acquire property for public  
36 parks, natural areas or outdoor recreation areas or to develop or improve public parks, natural  
37 areas or outdoor recreation areas.

38 (3) All moneys in the Parks Subaccount shall be transferred to the State Parks and Recreation  
39 Department Fund and used to carry out the purposes described in subsection (2) of this section by  
40 achieving each of the following:

41 (a) Providing additional public parks, natural areas or outdoor recreation areas to meet the  
42 needs of current and future residents of this state.

43 (b) Protecting natural, cultural, historic and outdoor recreational resources of statewide or re-  
44 gional significance.

45 (c) Managing public parks, natural areas and outdoor recreation areas to ensure the long-term

1 ecological health of those parks and areas and to provide for the enjoyment of those parks and areas  
2 by current and future residents of this state.

3 (d) Providing diverse and equitable opportunities for residents of this state to experience nature  
4 and to participate in outdoor recreational activities in state, regional, local or neighborhood public  
5 parks and recreation areas.

6 **SECTION 93.** ORS 391.520 is amended to read:

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

13 **SECTION 94.** ORS 391.605 is amended to read:

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

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

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

21 (c) The [chairperson] **Director** of the Oregon Investment [Council] **Department** or the  
22 [chairperson's] **director's** designee.

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

25 **SECTION 95.** ORS 391.800 is amended to read:

26 391.800. (1) There is established in the State Treasury, separate and distinct from the General  
27 Fund, the Elderly and Disabled Special Transportation Fund. All moneys in the Elderly and Disabled  
28 Special Transportation Fund are appropriated continuously to the Department of Transportation for  
29 payment of the department's administrative costs of the program and payment to mass transit dis-  
30 tricts, transportation districts, Indian tribes and counties as provided in ORS 391.810.

31 (2) The Elderly and Disabled Special Transportation Fund shall consist of:

32 (a) Moneys transferred to the fund under ORS 184.642 and 323.455 (3);

33 (b) Other moneys appropriated to the fund by the Legislative Assembly; and

34 (c) Moneys obtained from interest earned on the investment of moneys in the fund.

35 (3) Moneys in the Elderly and Disabled Special Transportation Fund[, *with the approval of the*  
36 *State Treasurer,*] may be invested as provided by ORS 293.701 to 293.857, and the earnings from the  
37 investments shall be credited to the Elderly and Disabled Special Transportation Fund.

38 **SECTION 96.** ORS 411.128 is amended to read:

39 411.128. (1) In addition to other funds made available for education and training of public as-  
40 sistance recipients, the Department of Human Services may accept gifts and grants from private  
41 sources for the purpose of providing the scholarships or grants authorized under ORS 411.175.

42 (2) **The Department of Human Services Scholarship Account is established, separate and**  
43 **distinct from the General Fund.** The moneys received under subsection (1) of this section shall  
44 be deposited in [*a special account, separate and distinct from the General Fund, to be named the De-*  
45 *partment of Human Services Scholarship Account, which account is established*] **the account.** All

1 moneys in the account and all earnings thereon are continuously appropriated to the Department  
 2 of Human Services to be used together with any federal funds that may be available to provide  
 3 scholarships or grants under ORS 411.175.

4 (3) The amount in the Department of Human Services Scholarship Account that is available af-  
 5 ter scholarships and grants under ORS 411.175 have been awarded for any period shall be reported  
 6 to the Oregon Investment [Council] **Department** by the Department of Human Services and shall  
 7 be considered investment funds within the meaning of ORS 293.701 to 293.857 and shall be invested  
 8 in accordance with the standards of ORS 293.726. All earnings on such investments shall be credited  
 9 to the Department of Human Services Scholarship Account.

10 **SECTION 97.** ORS 426.506 is amended to read:

11 426.506. (1) There is created in the State Treasury, separate and distinct from the General Fund,  
 12 the Community Mental Health Housing Fund. All earnings on investments of moneys in the Com-  
 13 munity Mental Health Housing Fund shall accrue to the fund. Interest earned on moneys in the  
 14 fund shall be credited to the fund. All moneys in the fund are continuously appropriated to the  
 15 Oregon Health Authority to carry out the provisions of ORS 426.504.

16 (2) The Community Mental Health Housing Fund shall be administered by the authority to pro-  
 17 vide housing for persons with chronic mental illness. As used in this subsection, "housing" may in-  
 18 clude acquisition, maintenance, repair, furnishings and equipment.

19 (3)(a) There is established within the Community Mental Health Housing Fund a Community  
 20 Housing Trust Account. [*With approval of the State Treasurer and*] Upon request of the Director of  
 21 the Oregon Health Authority, moneys in the account may be invested as provided in ORS 293.701  
 22 to 293.857.

23 (b) Notwithstanding the provisions of ORS 270.150, the authority shall deposit into the Commu-  
 24 nity Housing Trust Account the proceeds, less costs to the state, received by the authority from the  
 25 sale of F. H. Dammasch State Hospital property under ORS 426.508. The authority may expend, for  
 26 the purposes set forth in ORS 426.504, any earnings credited to the account, including any interest  
 27 earned on moneys deposited in the account, and up to five percent of the sale proceeds initially  
 28 credited to the account by the Oregon Department of Administrative Services. At least 95 percent  
 29 of the sale proceeds shall remain in the account in perpetuity. Proceeds deposited in the account  
 30 may not be commingled with proceeds from the sale of any surplus real property owned, operated  
 31 or controlled by the authority and used as a state training center.

32 (c) Interest earned on moneys in the Community Housing Trust Account may be expended in the  
 33 following manner:

34 (A) Seventy percent of interest earned on deposits in the account shall be expended for com-  
 35 munity housing purposes; and

36 (B) Thirty percent of interest earned on deposits in the account shall be expended for institu-  
 37 tional housing purposes.

38 (d) Interest earned on deposits in the Community Housing Trust Account shall not be used to  
 39 support operating expenses of the authority.

40 (4) The Community Mental Health Housing Fund shall consist of:

41 (a) Moneys appropriated to the fund by the Legislative Assembly;

42 (b) Sale proceeds and earnings from the account under subsection (3) of this section;

43 (c) Proceeds from the sale, transfer or lease of any surplus real property owned, operated or  
 44 controlled by the authority and used as community housing;

45 (d) Moneys reallocated from other areas of the authority's budget;

1 (e) Interest and earnings credited to the fund; and

2 (f) Gifts of money or other property from any source, to be used for the purposes of developing  
3 housing for persons with chronic mental illness.

4 (5) The authority shall adopt policies:

5 (a) To establish priorities for the use of moneys in the Community Mental Health Housing Fund  
6 for the sole purpose of developing housing for persons with chronic mental illness;

7 (b) To match public and private moneys available from other sources for developing housing for  
8 persons with chronic mental illness; and

9 (c) To administer the fund in a manner that will not exceed the State Treasury's maximum cost  
10 per transaction.

11 (6) The authority shall collaborate with the Housing and Community Services Department to  
12 ensure the highest return and best value for community housing from the Community Mental Health  
13 Housing Fund.

14 (7) The authority shall provide a report of revenues to and expenditures from the Community  
15 Mental Health Housing Fund as part of its budget submission to the Governor and Legislative As-  
16 sembly under ORS chapter 291.

17 **SECTION 98.** ORS 456.530 is amended to read:

18 456.530. Notwithstanding **the investment objective and standards set forth in** ORS 293.721  
19 **and 293.726 and section 6 of this 2015 Act**, and subject to the provisions of any agreement with  
20 holders of bonds issued pursuant to ORS 456.519 or 456.524 (1979 Replacement Part), the Housing  
21 and Community Services Department may consider the willingness or commitment of a lending in-  
22 stitution as defined in ORS 456.548 to make loans for residential housing as a factor in selecting  
23 depositories and otherwise investing funds held under ORS 456.515 to 456.725 in or through such  
24 lending institutions.

25 **SECTION 99.** ORS 456.535 is amended to read:

26 456.535. The money realized from the sale of each issue of bonds shall be credited to a special  
27 fund in the State Treasury, separate and distinct from the General Fund, to be designated the El-  
28 derly and Disabled Housing Fund. Moneys in the Elderly and Disabled Housing Fund are contin-  
29 uously appropriated to the Housing and Community Services Department for the purpose of carrying  
30 out the provisions of ORS 456.515 to 456.725. Moneys in the fund may not be used for any other  
31 purpose, except that the moneys[, *with the approval of the State Treasurer,*] may be invested as pro-  
32 vided by ORS 293.701 to 293.857 and the earnings from the investments shall be deposited into the  
33 Elderly and Disabled Housing Sinking Fund maintained under ORS 456.543.

34 **SECTION 100.** ORS 456.543 is amended to read:

35 456.543. (1) The Housing and Community Services Department shall maintain, with the State  
36 Treasurer, an Elderly and Disabled Housing Sinking Fund, separate and distinct from the General  
37 Fund. The Elderly and Disabled Housing Sinking Fund shall provide for the payment of the princi-  
38 pal and interest upon bonds issued under authority of Article XI-I(2), Oregon Constitution, and ORS  
39 456.515 to 456.725. Moneys in the sinking fund are continuously appropriated to the department for  
40 such purpose. Moneys in the Elderly and Disabled Housing Sinking Fund may be invested [*by the*  
41 *State Treasurer*] as provided by ORS 286A.025 and 293.701 to 293.857 or, with the approval of the  
42 State Treasurer, by the Director of the Housing and Community Services Department through a  
43 trustee. Investment earnings shall be credited to the Elderly and Disabled Housing Sinking Fund.

44 (2) The Elderly and Disabled Housing Sinking Fund shall consist of:

45 (a) All moneys received from contract or loan proceeds;

1 (b) Bond reserves;

2 (c) Other funds available for these purposes; and

3 (d) If necessary, state ad valorem taxes provided by Article XI-I(2), Oregon Constitution, and by  
4 ORS 456.515 to 456.725.

5 (3) The Elderly and Disabled Housing Sinking Fund shall not be used for any purpose other than  
6 that for which the fund was created provided, however, that amounts on deposit in the fund may  
7 be applied to the payment of operating and administrative expenses of the department, including  
8 bond issuance, administration and repayment costs, allocable to its elderly and disabled housing  
9 program under ORS 456.515 to 456.725, and for transfers under subsections (4) and (5) of this section.  
10 Should a balance remain therein after the purposes for which the fund was created have been ful-  
11 filled or after a reserve sufficient to meet all existing obligations and liabilities of the fund has been  
12 set aside, the surplus remaining may be transferred to the Elderly and Disabled Housing Fund at  
13 the direction of the department.

14 (4) The Director of the Housing and Community Services Department may transfer moneys from  
15 the Elderly and Disabled Housing Sinking Fund, with the approval of the State Treasurer, for the  
16 purpose of financing multifamily housing for the elderly and persons with disabilities. The State  
17 Treasurer shall approve such request if:

18 (a) The cash flow projection under ORS 286A.010 associated with the bonds shows that, for the  
19 term of the bonds outstanding at the time the director transfers the moneys, remaining moneys in  
20 the sinking fund, together with expected loan proceeds and fund earnings, will continue to be ade-  
21 quate to pay bond principal, interest and administrative costs; and

22 (b) The transfer will not create the need for issuance of any bonds.

23 (5) The director shall deposit loan prepayments in the Elderly and Disabled Housing Fund, and  
24 lend such prepayments for the purpose of financing multifamily housing for the elderly and persons  
25 with disabilities for a term not exceeding the term of the bonds associated with the loan that was  
26 prepaid, if the director determines that such a deposit and loan will not adversely affect the ability  
27 of the department to pay outstanding bonds.

28 **SECTION 101.** ORS 468.215 is amended to read:

29 468.215. The money realized from the sale of each issue of bonds under ORS 468.195 shall be  
30 credited to a special fund in the State Treasury, separate and distinct from the General Fund, to  
31 be designated the Pollution Control Fund. Moneys in the Pollution Control Fund are continuously  
32 appropriated to the Department of Environmental Quality for the purpose of carrying out the pro-  
33 visions of ORS 468.195 to 468.260. Moneys in the fund may not be used for any other purpose, except  
34 that these moneys[, *with the approval of the State Treasurer,*] may be invested as provided by ORS  
35 293.701 to 293.857, and the earnings from such investments shall be credited to the Pollution Control  
36 Sinking Fund maintained under ORS 468.230.

37 **SECTION 102.** ORS 468A.490 is amended to read:

38 468A.490. (1) There is established within the State Treasury a fund known as the Residential  
39 Solid Fuel Heating Air Quality Improvement Fund, separate and distinct from the General Fund.

40 (2) All moneys appropriated or received as gifts or grants for the purposes of this section shall  
41 be credited to the Residential Solid Fuel Heating Air Quality Improvement Fund.

42 (3) [*The State Treasurer may invest and reinvest the*] Moneys in the fund **may be invested and**  
43 **reinvested** as provided in ORS 293.701 to 293.857. Interest from the moneys deposited in the fund  
44 and earnings from investment of the moneys in the fund shall accrue to the fund.

45 (4) All moneys in the fund are continuously appropriated to the Department of Environmental

1 Quality to:

2 (a) Pay all costs incurred by the department for evaluating projects and programs, including  
 3 projects and programs proposed by local communities or qualifying organizations, for project man-  
 4 agement and oversight of funds awarded for projects and programs selected in accordance with this  
 5 section and for documenting the benefit to air quality from such projects;

6 (b) Fund the program established under subsection (5) of this section;

7 (c) Fund activities to enhance enforcement of ORS 468A.460 to 468A.515;

8 (d) Fund public education programs related to compliance with ORS 468A.460 to 468A.515; and

9 (e) Fund public education programs related to the benefits of the use of solid fuel burning de-  
 10 vices certified pursuant to ORS 468A.460 to 468A.515.

11 (5) The department shall use moneys available under subsection (4) of this section to establish  
 12 a program designed to reduce the emission of air contaminants by providing grants, loans or other  
 13 subsidies for the replacement or removal of solid fuel burning devices that were not certified by the  
 14 department pursuant to ORS 468A.465. In addition to any other requirements established by rules  
 15 adopted by the Environmental Quality Commission, the program shall provide that:

16 (a) All forms of new high-efficiency, low air contaminant-emitting heating systems are allowed,  
 17 except vent-free heating appliances;

18 (b) Any solid fuel burning device removed under the program must be destroyed;

19 (c) Any replacement device selected under the program must be installed in conformance with  
 20 building code requirements and the manufacturer's specifications including but not limited to vent-  
 21 ing specifications; and

22 (d) To be eligible, program participants shall participate in any home energy audit program  
 23 provided at no charge to the homeowner and shall obtain all information available regarding subsi-  
 24 dies for cost-effective weatherization. The department shall make the information required in this  
 25 subsection readily available to program participants.

26 (6) The department may enter into an agreement with a local government or a regional author-  
 27 ity in order to implement the program established under subsection (5) of this section.

28 **SECTION 103.** ORS 496.350 is amended to read:

29 496.350. (1) The Willamette River Basin Bonneville Power Administration Stewardship Fund is  
 30 established in the State Treasury, separate and distinct from the General Fund. Interest earned by  
 31 the Willamette River Basin Bonneville Power Administration Stewardship Fund shall be credited to  
 32 the fund. Moneys in the fund are continuously appropriated to the State Department of Fish and  
 33 Wildlife for long-term operation, maintenance and protection activities that preserve or advance the  
 34 conservation values of properties purchased under the Willamette River Basin Memorandum of  
 35 Agreement Regarding Wildlife Habitat Protection and Enhancement between the State of Oregon  
 36 and the Bonneville Power Administration, dated October 22, 2010. Moneys in the fund may not be  
 37 used to purchase property or easements.

38 (2) The Willamette River Basin Bonneville Power Administration Stewardship Fund shall consist  
 39 of moneys accepted by this state pursuant to the Willamette River Basin Memorandum of Agreement  
 40 Regarding Wildlife Habitat Protection and Enhancement between the State of Oregon and the  
 41 Bonneville Power Administration, dated October 22, 2010.

42 (3) Moneys in the Willamette River Basin Bonneville Power Administration Stewardship Fund  
 43 may[, *with the approval of the State Treasurer,*] be invested as provided by ORS 293.701 to 293.857,  
 44 and the earnings from such investment shall be credited to the Willamette River Basin Bonneville  
 45 Power Administration Stewardship Fund.

1        **SECTION 104.** ORS 516.070 is amended to read:

2        516.070. (1) There is established in the General Fund of the State Treasury an account to be  
3 known as the Geology and Mineral Industries Account. All moneys received by the State Depart-  
4 ment of Geology and Mineral Industries shall be paid over to the State Treasurer and by the State  
5 Treasurer deposited in the General Fund to the credit of the account. All moneys within the account  
6 are continuously appropriated for the use of the department in carrying out its lawful functions.

7        (2) The Federal Locatable Mineral Royalties Subaccount is established within the Geology and  
8 Mineral Industries Account. Notwithstanding subsection (1) of this section, all moneys received  
9 from the federal government by the State of Oregon as the state's distributive share of the amounts  
10 collected for royalties for locatable minerals shall be credited to the subaccount. All moneys in the  
11 Federal Locatable Mineral Royalties Subaccount are continuously appropriated to the State De-  
12 partment of Geology and Mineral Industries to conduct investigations of new mineral resources and  
13 to carry out the provisions of ORS 517.840 (6).

14        (3) [*The State Treasurer may invest and reinvest*] The moneys in the Federal Locatable Mineral  
15 Royalties Subaccount **may be invested and reinvested** as provided in ORS 293.701 to 293.857. In-  
16 terest from the moneys deposited in the subaccount and earnings from investment of the moneys in  
17 the subaccount shall be credited to the subaccount.

18        (4) The Mined Land Regulation and Reclamation Program Subaccount is established within the  
19 Geology and Mineral Industries Account. Notwithstanding subsection (1) of this section, all moneys  
20 received by the State Department of Geology and Mineral Industries from fees assessed pursuant to  
21 ORS 517.800 shall be credited to the subaccount. All moneys in the subaccount are continuously  
22 appropriated to the department for the purpose of administering ORS 517.702 to 517.951.

23        **SECTION 105.** ORS 541.942 is amended to read:

24        541.942. (1) Of the moneys deposited into the Parks and Natural Resources Fund created under  
25 ORS 541.940 from the Oregon State Lottery, 50 percent shall be deposited into a Natural Resources  
26 Subaccount for the public purpose of financing the restoration and protection of native fish and  
27 wildlife, watersheds and water quality in Oregon. [*The State Treasurer may invest and reinvest*] The  
28 moneys in the Natural Resources Subaccount **may be invested and reinvested** as provided in ORS  
29 293.701 to 293.857.

30        (2) Moneys in the Natural Resources Subaccount shall be used to accomplish each of the fol-  
31 lowing:

32        (a) Protecting and improving water quality in the rivers, lakes and streams of this state by re-  
33 storing natural watershed functions or stream flows;

34        (b) Securing long-term protection for lands and waters that provide significant habitats for na-  
35 tive fish and wildlife;

36        (c) Restoring and maintaining habitat needed to sustain healthy and resilient populations of  
37 native fish and wildlife;

38        (d) Maintaining the diversity of plants, animals and ecosystems in this state;

39        (e) Involving people in voluntary actions to protect, restore and maintain the ecological health  
40 of lands and waters in this state; and

41        (f) Remedying the conditions that limit the health of fish and wildlife, fish and wildlife habitats  
42 and watershed functions that are in the greatest need of conservation.

43        (3) Except as provided in subsections (4) and (5) of this section, of the moneys deposited into the  
44 Natural Resources Subaccount from the Oregon State Lottery:

45        (a) Sixty-five percent of the moneys shall be deposited into the Watershed Conservation Grant

1 Fund established under ORS 541.947 to be used by the Oregon Watershed Enhancement Board for  
2 the purposes set forth in ORS 541.956; and

3 (b) Thirty-five percent of the moneys shall be deposited into the Watershed Conservation Oper-  
4 ating Fund established under ORS 541.945.

5 (4) If the amount transferred from the Oregon State Lottery to the Parks and Natural Resources  
6 Fund during a biennium is more than 150 percent of the amount that was transferred during the  
7 2009-2011 biennium, except as provided in subsection (5) of this section, the State Treasurer shall,  
8 during the next following biennium, deposit from the Natural Resources Subaccount to the  
9 Watershed Conservation Grant Fund the amount described in subsection (3)(a) of this section plus  
10 an amount equal to the difference between the amount deposited from the subaccount to the  
11 Watershed Conservation Grant Fund during the preceding biennium and 70 percent of the moneys  
12 received by the subaccount from the Oregon State Lottery during the preceding biennium.

13 (5) The requirements in subsections (3) and (4) of this section apply only for biennia in which  
14 the Legislative Assembly does not require a greater percentage of the Natural Resources Subac-  
15 count moneys to be deposited into the Watershed Conservation Grant Fund. The Legislative As-  
16 sembly may not authorize the percentage of Natural Resources Subaccount moneys deposited into  
17 the Watershed Conservation Grant Fund in a biennium to be less than the percentage required to  
18 be deposited under subsections (3) and (4) of this section.

19 **SECTION 106.** ORS 561.144 is amended to read:

20 561.144. (1) The State Treasurer shall establish a Department of Agriculture Service Fund, which  
21 shall be a trust fund separate and distinct from the General Fund. The State Department of Agri-  
22 culture shall deposit all license and service fees paid to it under the provisions of the statutes  
23 identified in subsection (3) of this section in the Department of Agriculture Service Fund. The State  
24 Treasurer is the custodian of this trust fund, which shall be deposited by the **State** Treasurer in  
25 such depositories as are authorized to receive deposits of the General Fund, and which may be in-  
26 vested [*by the treasurer*] in the same manner as authorized by ORS 293.701 to 293.857.

27 (2) Interest received on deposits credited to the Department of Agriculture Service Fund shall  
28 accrue to and become a part of the Department of Agriculture Service Fund.

29 (3) The license and service fees subject to this section are those described in ORS 561.400,  
30 561.740, 570.710, 571.057, 571.063, 571.145, 571.305, 586.270, 596.030, 596.100, 596.311, 599.235, 599.269,  
31 599.406, 599.610, 601.040, 602.090, 603.025, 603.075, 616.706, 618.115, 618.136, 619.031, 621.072, 621.166,  
32 621.266, 621.297, 621.335, 621.730, 622.080, 625.180, 628.240, 632.211, 632.600, 632.720, 632.730, 632.741,  
33 632.940, 632.945, 633.015, 633.029, 633.318, 633.362, 633.461, 633.471, 633.680, 633.700, 633.720, 634.016,  
34 634.116, 634.122, 634.126, 634.132, 634.136, 634.212 and 635.030.

35 **SECTION 107.** ORS 696.030 is amended to read:

36 696.030. ORS 696.010 to 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600 to 696.785, 696.990  
37 and 696.995 do not apply to:

38 (1)(a) A nonlicensed individual who is a full-time employee of an owner of real estate and whose  
39 real estate activity:

40 (A) Involves only the real estate of the employer; and

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

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

44 (b) For the purpose of this subsection, "owner of real estate" means:

45 (A) An individual who has a sole ownership interest in the real estate; or



1 (B) More than one individual, each of whom has an ownership interest in the real estate, if the  
2 ownership interest is by survivorship, tenancy in common or tenancy by the entirety.

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

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

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

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

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

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

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

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

25 (7) A nonlicensed individual who is a regular full-time employee of a single corporation, part-  
26 nership, association, limited liability company or nonlicensed individual owner of real property act-  
27 ing for the corporation, partnership, association, limited liability company or nonlicensed individual  
28 owner in the rental or management of the real property, but not in the sale, exchange, lease option  
29 or purchase of the real property.

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

32 (9) A nonlicensed individual who is employed by a principal real estate broker engaged in the  
33 management of rental real estate or by a licensed real estate property manager and who acts on  
34 behalf of the principal real estate broker or licensed real estate property manager pursuant to a  
35 written delegation of the principal real estate broker's or licensed real estate property manager's  
36 authority, as provided by the agency by rule, if the real estate activity of the nonlicensed individual  
37 is limited to:

38 (a) Negotiating rental or lease agreements;

39 (b) Checking tenant and credit references;

40 (c) Physically maintaining the real estate;

41 (d) Conducting tenant relations;

42 (e) Collecting the rent;

43 (f) Supervising the premises' managers;

44 (g) Discussing financial matters relating to the management of the real estate with the owner;

45 and

1 (h) Receiving and disbursing trust funds in a clients' trust account under ORS 696.241.

2 (10) An individual who sells or leases cemetery lots, parcels or units while engaged in the dis-  
3 position of human bodies under ORS 97.010 to 97.040, 97.110 to 97.450, 97.510 to 97.730, 97.810 to  
4 97.920 and 97.990 or an employee of the nonlicensed individual performing similar activities.

5 (11) An individual who is a salaried employee of the State of Oregon, or any of its political  
6 subdivisions, engaging in professional real estate activity as a part of such employment.

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

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

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

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

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

28 (17) A nonlicensed individual transferring or acquiring an interest in real estate owned or to  
29 be owned by the individual.

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

34 (19) An individual who is a membership camping contract broker or salesperson registered with  
35 the Real Estate Agency selling membership camping contracts.

36 (20) An individual who is a professional forester or farm manager engaging in property man-  
37 agement activity on forestland or farmland when the activity is incidental to the nonreal estate  
38 duties involving overall management of forest or farm resources.

39 (21) An individual who is a registered investment adviser under the Investment Advisers Act  
40 of 1940, 15 U.S.C. §80b-1 et seq., rendering real estate investment services for the office of the State  
41 Treasurer, **the Oregon Investment Department** or the Oregon Investment Council.

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

45 (23) A nonlicensed individual who gives an opinion in an administrative or judicial proceeding

1 regarding the value of real estate for taxation or representing a taxpayer under ORS 305.230 or  
 2 309.100.

3 (24) A nonlicensed individual acting as a paid fiduciary whose real estate activity is limited to  
 4 negotiating a contract to obtain the services of a real estate licensee.

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

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

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

16 (28) An individual who is a partner in a partnership as defined in ORS 67.005 and who is en-  
 17 gaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of the  
 18 partnership.

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

22 **SECTION 108.** ORS 757.738 is amended to read:

23 757.738. (1)(a) The Public Utility Commission shall establish a separate trust account for  
 24 amounts generated by each of the two surcharges imposed under ORS 757.736. The commission shall  
 25 establish the trust accounts as interest-bearing accounts:

26 (A) With an agency of the United States identified in the final agreement;

27 (B) In a depository that is qualified under ORS 295.001 to 295.108 to receive public funds; or

28 (C) With the [*State Treasurer*] **Oregon Investment Department**, to be invested as provided in  
 29 ORS 293.701 to 293.857.

30 (b) The commission may establish each of the two trust accounts with a different trustee among  
 31 those listed in paragraph (a) of this subsection.

32 (c) The commission may authorize transfer of funds from one trust account to another as nec-  
 33 essary to fund removal of the Klamath River dams.

34 (2) If an agreement is entered into under ORS 757.742 (2), the parties to the agreement may  
 35 agree that a portion of the amounts collected under one surcharge may be deposited in the trust  
 36 account established for amounts collected under the other surcharge.

37 (3) Upon request of an agency of the United States, or upon request of the designee of an agency  
 38 of the United States, the commission shall require the trustee of the appropriate trust account es-  
 39 tablished under this section to transfer to the agency or designee the amounts that are necessary  
 40 to pay the costs of removing the Klamath River dams as described in ORS 757.736 (11).

41 (4) If any amounts remain in a trust account established under this section after the trustee  
 42 makes all payments necessary for the costs of removing the Klamath River dams as described in  
 43 ORS 757.736 (11), the commission shall direct the trustee of the account to refund those amounts to  
 44 customers or to otherwise use the excess amounts for the benefit of customers.

45 **SECTION 109.** (1) **The Oregon Investment Department established as a public investment**

1 agency under section 2 of this 2015 Act is the successor to the State Treasurer as investment  
2 officer for the Oregon Investment Council and to the council, with respect to the assumed  
3 duties, liabilities, functions and powers described in section 3 of this 2015 Act.

4 (2) The Oregon Investment Department is a continuation of the State Treasurer as in-  
5 vestment officer for the Oregon Investment Council and of the council, for the purpose of  
6 succession to the rights and obligations of the State Treasurer and the council to the extent  
7 the department assumes the rights and obligations under this 2015 Act.

8 (3) The four voting members of the Oregon Investment Council appointed by the Gover-  
9 nor under ORS 293.706 shall continue as voting members of the council until the expiration  
10 of their terms. A member originally appointed under ORS 293.706 is eligible for reappoint-  
11 ment under the provisions of section 5 of this 2015 Act.

12 (4) The portion of the moneys in the Miscellaneous Receipts Account established under  
13 ORS 293.718 that the State Treasurer determines have been deducted as payment for ex-  
14 penses related to the investment of the funds that the Oregon Investment Department is  
15 charged with investing under this 2015 Act and that the State Treasurer determines are  
16 necessary for the department and council to exercise the powers and perform the duties  
17 granted the department and council under this 2015 Act or otherwise, shall be transferred  
18 to the Oregon Investment Department Fund established under section 9 of this 2015 Act.

19 (5) The transfer of duties, functions and powers by this 2015 Act does not affect any  
20 action, proceeding or prosecution involving or with respect to such duties, functions and  
21 powers begun before and pending at the time of the transfer, except that the Oregon In-  
22 vestment Department is substituted, where applicable, for the Oregon Investment Council,  
23 or the State Treasurer as investment officer for the council, in the action, proceeding or  
24 prosecution.

25 (6) Nothing in sections 1 to 13 of this 2015 Act, the amendments to statutes by sections  
26 14 to 108 of this 2015 Act or the repeal of statutes by section 110 of this 2015 Act relieves a  
27 person of a liability, duty or obligation accruing under or with respect to the duties, func-  
28 tions and powers transferred to the Oregon Investment Department. The department may  
29 undertake the collection or enforcement of any such liability, duty or obligation.

30 (7) Notwithstanding the transfer of duties, functions and powers to the Oregon Invest-  
31 ment Department, the rules of the Oregon Investment Council, or the State Treasurer as  
32 investment officer for the council, in effect on the operative date specified in section 111 of  
33 this 2015 Act continue in effect until superseded or repealed by rules of the department.  
34 References, in rules of the council or the State Treasurer, to the Oregon Investment Council,  
35 an officer or employee of the council or the State Treasurer as investment officer for the  
36 council, where applicable, are considered to be references to the department or an officer  
37 or employee of the department.

38 (8) The rights and obligations of the Oregon Investment Council and of the State Treas-  
39 urer as investment officer for the council, legally incurred under contracts, leases and  
40 business transactions executed, entered into or begun before the operative date specified in  
41 section 111 of this 2015 Act, and incurred for the investment funds the Oregon Investment  
42 Department is charged with investing under this 2015 Act, are transferred to the depart-  
43 ment. For the purpose of succession to these rights and obligations, the department is a  
44 continuation of the Oregon Investment Council, and the State Treasurer as investment offi-  
45 cer for the council, and not a new authority.

1       **SECTION 110.** ORS 293.706, 293.716, 293.731, 293.736, 293.741, 293.756, 293.761, 293.766,  
2 293.780, 293.861, 293.863, 294.831, 294.847 and 294.850 are repealed.

3       **SECTION 111.** (1) Sections 1 to 13 and 109 of this 2015 Act, the amendments to statutes  
4 by sections 14 to 108 of this 2015 Act and the repeal of statutes by section 110 of this 2015  
5 Act become operative January 1, 2016.

6       (2)(a) The State Treasurer and the Oregon Investment Council may take any action prior  
7 to the operative date specified in subsection (1) of this section that is necessary to allow the  
8 State Treasurer and the Oregon Investment Council to carry out sections 1 to 13 and 109 of  
9 this 2015 Act, the amendments to statutes by sections 14 to 108 of this 2015 Act and the re-  
10 peal of statutes by section 110 of this 2015 Act on and after the operative date specified in  
11 subsection (1) of this section.

12       (b) Prior to the operative date specified in subsection (1) of this section, the State  
13 Treasurer may transfer or loan assets or moneys held by or deposited for the State Treas-  
14 urer to the Oregon Investment Department on such terms as the State Treasurer deter-  
15 mines will fully reimburse the State Treasurer for the value of the transferred or loaned  
16 assets or moneys.

17       (3)(a) The Oregon Investment Council created under ORS 293.706 may appoint the direc-  
18 tor of the Oregon Investment Department established as a public investment agency under  
19 section 2 of this 2015 Act before the operative date specified in subsection (1) of this section.

20       (b) The Director of the Oregon Investment Department may take any action before the  
21 operative date specified in subsection (1) of this section that is necessary to enable the di-  
22 rector to exercise, on and after the operative date specified in subsection (1) of this section,  
23 the duties, functions and powers of the director pursuant to section 2 of this 2015 Act, in-  
24 cluding entering into an agreement with the State Treasurer for the transfer or loan of as-  
25 sets or moneys as described in subsection (2) of this section.

26       **SECTION 112.** (1) The State Treasurer and the Oregon Investment Council shall:

27       (a) Deliver to the Oregon Investment Department all records and property within the  
28 jurisdiction of the State Treasurer or the council that relate to the duties, functions and  
29 powers transferred by this 2015 Act; and

30       (b) Transfer to the Oregon Investment Department those employees engaged primarily  
31 in the exercise of the duties, functions and powers transferred by this 2015 Act.

32       (2) The Director of the Oregon Investment Department shall take possession of the re-  
33 cords and property, and shall take charge of the employees and employ them in the exercise  
34 of the duties, functions and powers transferred by this 2015 Act, without reduction of com-  
35 pensation but subject to change or termination of employment or compensation as provided  
36 by law.

37       (3) The Governor shall resolve any dispute between the State Treasurer or Oregon In-  
38 vestment Council and the Oregon Investment Department relating to transfers of records,  
39 property and employees under this section, and the Governor's decision is final.

40       **SECTION 113.** (1) The unexpended balances of amounts authorized to be expended by the  
41 State Treasurer or the Oregon Investment Council for the biennium beginning July 1, 2015,  
42 from revenues dedicated, continuously appropriated, appropriated or otherwise made avail-  
43 able for the purpose of administering and enforcing the duties, functions and powers trans-  
44 ferred by this 2015 Act are transferred to and are available for expenditure by the Oregon  
45 Investment Department for the biennium beginning July 1, 2015, for the purpose of admin-

1 **istering and enforcing the duties, functions and powers transferred by this 2015 Act.**

2 **(2) The expenditure classifications, if any, established by Acts authorizing or limiting**  
3 **expenditures by the State Treasurer or the Oregon Investment Council remain applicable to**  
4 **expenditures by the Oregon Investment Department under this section.**

5 **SECTION 114. The section captions used in this 2015 Act are provided only for the con-**  
6 **venience of the reader and do not become part of the statutory law of this state or express**  
7 **any legislative intent in the enactment of this 2015 Act.**

8 **SECTION 115. This 2015 Act being necessary for the immediate preservation of the public**  
9 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
10 **on its passage.**

11

\_\_\_\_\_