

HOUSE AMENDMENTS TO HOUSE BILL 5005

By JOINT COMMITTEE ON WAYS AND MEANS

July 6

1 On page 1 of the printed bill, delete lines 5 through 28 and delete pages 2 through 7 and insert:
2 “**SECTION 1. The amounts authorized, as provided by ORS 286A.035, for issuance of**
3 **general obligation bonds of the state during the 2015-2017 biennium are as follows:**

4
5 **GENERAL OBLIGATION BONDS**

6 **General Fund Obligations**

- 7 (1) **Oregon Department of**
8 **Administrative Services,**
9 **Oregon Health and Science**
10 **University, Cancer**
11 **Institute (Art. XI-G)..... \$ 200,035,000**
12 (2) **Higher Education Coordinating**
13 **Commission (Art. XI-G):**
14 (a) **Oregon State University:**
15 (A) **Forest Science Complex..... \$ 30,140,000**
16 (B) **Marine Studies Campus**
17 **Phase I..... \$ 25,155,000**
18 (b) **Portland State University,**
19 **Neuberger Hall Renovation**
20 **and Deferred Maintenance.... \$ 10,220,000**
21 (c) **University of Oregon:**
22 (A) **Klamath Hall Renovation..... \$ 6,325,000**
23 (B) **College and Careers Building \$ 17,275,000**
24 (C) **Chapman Hall Renovation..... \$ 2,550,000**
25 (d) **Oregon Institute of**
26 **Technology, Center for**
27 **Excellence in Engineering**
28 **and Technology \$ 785,000**
29 (e) **Blue Mountain Community**
30 **College, Animal Science**
31 **Education Center \$ 3,331,350**
32 (f) **Columbia Gorge Community**
33 **College, Advanced Technology**
34 **Center \$ 7,320,000**
35 (g) **Klamath Community College,**

| | | | |
|----|--|-----------|--------------------|
| 1 | Student Success and | | |
| 2 | Career/Technical Center | \$ | 7,850,000 |
| 3 | (h) Mt. Hood Community | | |
| 4 | College, Technology | | |
| 5 | Innovation Center | \$ | 8,000,000 |
| 6 | (i) Rogue Community College, | | |
| 7 | Health and Science Center.... | \$ | 8,000,000 |
| 8 | (j) Southwestern Oregon | | |
| 9 | Community College, Health | | |
| 10 | and Science Building..... | \$ | 8,000,000 |
| 11 | (k) Treasure Valley Community | | |
| 12 | College, Workforce Vocational | | |
| 13 | Center | \$ | 2,830,250 |
| 14 | (L) Umpqua Community College, | | |
| 15 | Industrial Arts Center | \$ | 8,000,000 |
| 16 | (3) Oregon Business Development | | |
| 17 | Department (Art. XI-M) | \$ | 176,870,000 |
| 18 | (4) Oregon Business Development | | |
| 19 | Department (Art. XI-N)..... | \$ | 30,440,000 |
| 20 | (5) Department of | | |
| 21 | Education (Art. XI-P) | \$ | 126,210,000 |
| 22 | (6) Oregon Department of | | |
| 23 | Administrative | | |
| 24 | Services (Art. XI-Q)..... | \$ | 369,640,000 |
| 25 | (7) Department of | | |
| 26 | Transportation (Art. XI, | | |
| 27 | section 7)..... | \$ | 35,475,000 |
| 28 | <u>Dedicated Fund Obligations</u> | | |
| 29 | (8) Department of Veterans' | | |
| 30 | Affairs (Art. XI-A)..... | \$ | 100,000,000 |
| 31 | (9) Higher Education Coordinating | | |
| 32 | Commission (Art. XI-F(1)): | | |
| 33 | (a) Portland State University: | | |
| 34 | (A) Land Acquisition for University | | |
| 35 | Center Building..... | \$ | 10,220,000 |
| 36 | (B) Broadway Housing Purchase | \$ | 53,680,000 |
| 37 | (b) Oregon State University | | |
| 38 | Modular Data Center | \$ | 7,085,000 |
| 39 | (10) Department of Environmental | | |
| 40 | Quality (Art. XI-H) | \$ | 10,000,000 |
| 41 | (11) Water Resources Department | | |
| 42 | (Art. XI-I(1)) | \$ | 30,520,000 |
| 43 | (12) Housing and Community | | |
| 44 | Services Department | | |
| 45 | (Art. XI-I(2)) | \$ | 25,000,000 |

| | | | |
|---|---------------------------------|----|---------------|
| 1 | (13) State Department of Energy | | |
| 2 | (Art. XI-J)..... | \$ | 25,000,000 |
| 3 | Total General Obligation | | |
| 4 | Bonds | \$ | 1,345,956,600 |

5 “SECTION 2. The amounts authorized, as provided by ORS 286A.035, for issuance of re-
6 venue bonds of the state during the 2015-2017 biennium are as follows:

| | | | |
|----|---|----|---------------|
| 7 | | | |
| 8 | REVENUE BONDS | | |
| 9 | Direct Revenue Bonds | | |
| 10 | Housing and Community | | |
| 11 | Services Department | \$ | 300,000,000 |
| 12 | Highway User Tax Bonds | \$ | 393,160,000 |
| 13 | Oregon Business Development | | |
| 14 | Department | \$ | 30,000,000 |
| 15 | Oregon Department of | | |
| 16 | Administrative Services, | | |
| 17 | Lottery Revenue Bonds | \$ | 201,795,000 |
| 18 | State Department of Energy \$ | | 20,000,000 |
| 19 | Total Direct Revenue | | |
| 20 | Bonds | \$ | 944,955,000 |
| 21 | Pass-Through Revenue Bonds | | |
| 22 | Oregon Business Development | | |
| 23 | Department, Industrial | | |
| 24 | Development Bonds | \$ | 200,000,000 |
| 25 | Oregon Business Development | | |
| 26 | Department, Beginning and | | |
| 27 | Expanding Farmer Loan | | |
| 28 | Program | \$ | 10,000,000 |
| 29 | Oregon Facilities Authority.. \$ | | 950,000,000 |
| 30 | Housing and Community | | |
| 31 | Services Department | \$ | 250,000,000 |
| 32 | Total Pass-Through Revenue | | |
| 33 | Bonds | \$ | 1,410,000,000 |
| 34 | Total Revenue | | |
| 35 | Bonds | \$ | 2,354,955,000 |

36 “SECTION 3. The amount authorized, as provided by ORS 286A.035, for issuance of cer-
37 tificates of participation and other financing agreements of the state during the 2015-2017
38 biennium for the Oregon Department of Administrative Services is \$40,000,000.

39 “SECTION 4. The amounts allocated for private activity bonds, as provided in ORS
40 286A.615, are as follows:

- 41 (1) For calendar year 2016,
- 42 the amount of \$397,023,900
- 43 is allocated as follows:
- 44 (a) Oregon Business Development
- 45 Department, Industrial

| | | | |
|----|---------------------------------|----|-------------|
| 1 | Development Bonds..... | \$ | 40,000,000 |
| 2 | (b) Oregon Business Development | | |
| 3 | Department, Beginning and | | |
| 4 | Expanding Farmer Loan | | |
| 5 | Program..... | \$ | 5,000,000 |
| 6 | (c) Housing and Community | | |
| 7 | Services Department..... | \$ | 125,000,000 |
| 8 | (d) State Department of Energy | \$ | 5,000,000 |
| 9 | (e) Private Activity Bond | | |
| 10 | Committee..... | \$ | 222,023,900 |

11 (2) For calendar year 2017,
12 the amount of \$397,023,900
13 is allocated as follows:

| | | | |
|----|---------------------------------|----|-------------|
| 14 | (a) Oregon Business Development | | |
| 15 | Department, Industrial | | |
| 16 | Development Bonds..... | \$ | 40,000,000 |
| 17 | (b) Oregon Business Development | | |
| 18 | Department, Beginning and | | |
| 19 | Expanding Farmer Loan | | |
| 20 | Program..... | \$ | 5,000,000 |
| 21 | (c) Housing and Community | | |
| 22 | Services Department..... | \$ | 125,000,000 |
| 23 | (d) State Department of Energy | \$ | 5,000,000 |
| 24 | (e) Private Activity Bond | | |
| 25 | Committee..... | \$ | 222,023,900 |

26 (3) If an increase in this state's population, a
27 sufficient increase in the region's Consumer
28 Price Index or a change in federal law allows
29 the private activity bond limit as set by the
30 Internal Revenue Code of 1986, as amended, to
31 exceed \$397,023,900 during the 2016 calendar
32 year or \$397,023,900 during the 2017 calendar
33 year, the increase is allocated to the Private
34 Activity Bond Committee.

35 **"SECTION 5. (1) For purposes of Article XI-F(1), section 1, of the Oregon Constitution,**
36 **the Legislative Assembly determines that the projects authorized to be financed pursuant to**
37 **section 1 (9) of this 2015 Act with bonds issued under Article XI-F(1) of the Oregon Consti-**
38 **tution will benefit higher education institutions or activities.**

39 **"(2) For purposes of Article XI-G, section 1, of the Oregon Constitution, the Legislative**
40 **Assembly determines that the projects authorized to be financed pursuant to section 1 (1)**
41 **and (2) of this 2015 Act with bonds issued under Article XI-G of the Oregon Constitution will**
42 **benefit higher education institutions or activities or community colleges authorized by law**
43 **to receive state aid.**

44 **"SECTION 6. Bonds authorized under section 1 (1) or (2) of this 2015 Act may not be is-**
45 **sued until the constructing authority certifies to the State Treasurer that the constructing**

1 **authority has matching funds available for the same or similar purposes as the Article XI-G**
2 **bonds that will fund the grant or loan to the constructing authority, that the match funds**
3 **are not proceeds of indebtedness incurred by the state under any article of the Oregon**
4 **Constitution, and that the match funds are available to the constructing authority in an**
5 **amount at least equal to the amount of Article XI-G bond proceeds the constructing au-**
6 **thority will receive.**

7 **“SECTION 7.** Section 20, chapter 121, Oregon Laws 2014, is amended to read:

8 **“Sec. 20.** As used in sections 19 to 23, **chapter 121, Oregon Laws 2014** [of this 2014 Act]:

9 “(1) ‘Article XI-G bonds’ means general obligation bonds issued under the authority of Article
10 XI-G of the Oregon Constitution.

11 “(2) ‘Bond-related costs’ means:

12 “(a) The costs of paying the principal of, the interest on and the premium, if any, on the OHSU
13 Cancer Challenge Article XI-G Bonds.

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

16 “(A) Redeeming the OHSU Cancer Challenge Article XI-G Bonds.

17 “(B) Paying amounts due in connection with credit enhancement devices or agreements for ex-
18 change of interest rates.

19 “(C) Paying the fees, administrative costs and expenses of the State Treasurer, the Oregon De-
20 partment of Administrative Services or Oregon Health and Science University, including the costs
21 of consultants or advisers retained by the State Treasurer, the department or the university.

22 “(c) The costs of funding reserves for the OHSU Cancer Challenge Article XI-G Bonds.

23 “(d) Capitalized interest for the OHSU Cancer Challenge Article XI-G Bonds.

24 “(e) Rebates or penalties due to the United States in connection with the OHSU Cancer Chal-
25 lenge Article XI-G Bonds.

26 “(f) Any other costs or expenses that the State Treasurer, the department or the university de-
27 termines are necessary or desirable in connection with issuing and maintaining the OHSU Cancer
28 Challenge Article XI-G Bonds.

29 “(3) ‘Matching funds’ means moneys in an aggregate amount totaling at least [*\$161,490,000*] **the**
30 **amount of bond proceeds** that are available, as required by Article XI-G, section 1 (3), of the
31 Oregon Constitution, to the university and that are used by the university to pay costs of the
32 project.

33 “(4) ‘OHSU Cancer Challenge Article XI-G Bonds’ means general obligation bonds issued or
34 other general obligation indebtedness incurred under the authority of Article XI-G of the Oregon
35 Constitution and sections 19 to 23, **chapter 121, Oregon Laws 2014** [of this 2014 Act].

36 “(5) ‘OHSU Cancer Institute Project’ or ‘project’ means the acquisition, construction, improve-
37 ment, repair, equipping and furnishing of buildings, structures or lands that:

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

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

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

41 “(A) The purposes of health care, cancer-related research, cancer-related clinical care or
42 cancer-related higher education, including clinical laboratory, clinical trial, wet laboratory, research
43 administration or other research-related purposes; and

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

45 **“SECTION 8.** Section 21, chapter 121, Oregon Laws 2014, is amended to read:

1 “**Sec. 21.** (1) In [*the biennium beginning July 1, 2013, or in*] the biennium beginning July 1, 2015,
2 the State Treasurer, at the request of the Oregon Department of Administrative Services, may issue
3 Article XI-G bonds, as provided in this chapter, [*in an amount not to exceed \$161,490,000 in net pro-*
4 *ceeds*] for the purpose of financing the project, plus an amount determined by the State Treasurer
5 to pay estimated bond-related costs.

6 “(2) OHSU Cancer Challenge Article XI-G Bonds are a general obligation of the State of Oregon
7 and must contain a direct promise on behalf of the State of Oregon to pay the principal of, the in-
8 terest on and the premium, if any, on the OHSU Cancer Challenge Article XI-G Bonds. The State
9 of Oregon shall pledge its full faith and credit and taxing power, including the ad valorem taxing
10 power, to pay the principal of, the interest on and the premium, if any, on the bonds.

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

13 “(4) The State Treasurer shall transfer net proceeds and interest earnings [*in an amount equal*
14 *to \$161,490,000*] to the department to be granted to Oregon Health and Science University upon
15 satisfaction of terms and conditions in the grant agreement required by section 22, **chapter 121,**
16 **Oregon Laws 2014** [*of this 2014 Act*].

17 “**SECTION 9.** Section 22, chapter 121, Oregon Laws 2014, is amended to read:

18 “**Sec. 22.** (1) Before the State Treasurer may issue the OHSU Cancer Challenge Article XI-G
19 Bonds:

20 “(a) The Oregon Department of Administrative Services and Oregon Health and Science Uni-
21 versity must enter into a grant agreement in which the parties:

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

24 “(B) Provide for granting of [*\$161,490,000*] **net proceeds** to the university upon satisfaction of
25 the terms and conditions imposed in the grant agreement.

26 “(b) The department must certify to the State Treasurer that the grant agreement has been en-
27 tered into between the department and the university and that the university has certified to the
28 department that the university has:

29 “(A) Satisfied all material conditions precedent to its receipt of the matching funds; and

30 “(B) Satisfied all material conditions precedent to its receipt of at least \$800 million in gifts and
31 legally irrevocable pledges.

32 “(2) The terms and conditions of the grant agreement may:

33 “(a) Impose restrictions on the use of the grant.

34 “(b) Require that the [*\$161,490,000 in*] bond proceeds be granted directly to a trustee or escrow
35 agent.

36 “(c) Impose other requirements that the department determines are in the best interest of the
37 State of Oregon as necessary to:

38 “(A) Issue, sell or preserve the tax-exempt status, if any, of the OHSU Cancer Challenge Article
39 XI-G Bonds; and

40 “(B) Administer the grant.

41 “(3) The department shall transfer the grant to the university when the department is satisfied
42 that the university has complied, or will comply, with all of the terms and conditions imposed by
43 Article XI-G of the Oregon Constitution, sections 19 to 23, **chapter 121, Oregon Laws 2014,** [*of this*
44 *2014 Act*] and the grant agreement required by this section.

45 “(4) Subject to the approval of the State Treasurer, the department may:

1 “(a) Enter into agreements with a trustee or escrow agent regarding the disbursement and use
2 of the moneys granted to the university; and

3 “(b) Transfer the moneys granted to the university directly to a trustee or escrow agent.

4 “(5) ORS 351.450, 351.455 and 351.460 do not apply to OHSU Cancer Challenge Article XI-G
5 Bonds or to Oregon Health and Science University in connection with the bonds.

6 “**SECTION 10. Out of the amount specified in section 1 (6) of this 2015 Act, the State**
7 **Treasurer may issue Article XI-Q bonds in an amount not to exceed \$27,775,000 of net pro-**
8 **ceeds for the purposes specified in section 8 (3), chapter 705, Oregon Laws 2013, plus an**
9 **amount estimated by the State Treasurer to pay estimated bond-related costs.**

10 “**SECTION 11. This 2015 Act being necessary for the immediate preservation of the public**
11 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
12 **July 1, 2015.”.**

13
