

**A-Engrossed**  
**House Bill 4098**

Ordered by the House February 5  
Including House Amendments dated February 5

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Veterans and Emergency Preparedness)

**SUMMARY**

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

Directs Office of Emergency Management and Oregon Homeland Security Council to develop and administer grant program to distribute emergency preparedness equipment to local governments and other recipients.

Authorizes sale of bonds under Article XI-Q of Oregon Constitution to fund grant program.

Establishes Resiliency Grant Fund. Continuously appropriates moneys in fund to Office of Emergency Management.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to emergency preparedness; and declaring an emergency.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Emergency" has the meaning given that term in ORS 401.025.**

6 (b) **"Maintain" means to repair, perform upkeep on and otherwise keep in good working**  
7 **condition.**

8 (c) **"Preparedness equipment" means equipment, vehicles or other personal property**  
9 **that:**

10 (A) **May be used to decrease the risk to life and property resulting from an emergency;**  
11 **and**

12 (B) **Qualifies as a capital asset eligible for financing with tax-exempt bonds.**

13 (d) **"Qualified applicant" means an entity that has responsibility for or expertise in**  
14 **emergency preparedness and that is a local government, a special government body or a**  
15 **private organization qualified for federal tax-exempt status under section 501(c)(3) of the**  
16 **Internal Revenue Code.**

17 (e) **"Recipient" means an entity that applies for and receives preparedness equipment,**  
18 **or funds to purchase preparedness equipment, under the grant program described in sub-**  
19 **section (3) of this section.**

20 (f) **"Tax-exempt bond" means a bond, as defined in ORS 286A.001, the receipt of interest**  
21 **on which is excluded from gross income under the Internal Revenue Code or that is eligible**  
22 **for a federal interest subsidy payment or other tax-advantaged status.**

23 (2)(a) **Before December 31, 2016, the Oregon Homeland Security Council shall develop a**  
24 **list of preparedness equipment that is needed throughout this state to address deficiencies**  
25 **in the ability of the state to respond to local and regional emergencies.**

**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 (b) In developing the list, the council shall consult and coordinate with the Office of  
2 Emergency Management and with county officials who are responsible for emergency man-  
3 agement.

4 (c) The council shall assign a priority level to each type of preparedness equipment on  
5 the list, taking into consideration, without limitation, the types of emergency that are most  
6 likely to occur in different regions of this state and the types of preparedness equipment that  
7 offer the highest ratio of utility to cost. The council shall periodically update and revise the  
8 list.

9 (3) The Office of Emergency Management shall develop and administer a grant program  
10 to distribute preparedness equipment, or funds to purchase preparedness equipment, to re-  
11 cipients throughout this state. Pursuant to the grant program:

12 (a) Qualified applicants may request preparedness equipment that is identified on the list  
13 described in subsection (2) of this section. Applicants must demonstrate a need for the spe-  
14 cific preparedness equipment requested, the ability to maintain the preparedness equipment  
15 and the ability to use the preparedness equipment to address deficiencies in local or regional  
16 emergency preparedness.

17 (b) The office shall identify which requests from applicants, if fulfilled, will maximize the  
18 state's ability to respond to an emergency, taking into account considerations that include  
19 but are not limited to:

20 (A) The level of priority assigned to the requested preparedness equipment type pursuant  
21 to subsection (2) of this section;

22 (B) The level of need for the requested preparedness equipment as demonstrated by the  
23 applicant;

24 (C) The ability to use and maintain the preparedness equipment as demonstrated by the  
25 applicant;

26 (D) The types of emergency most likely to occur in the region where the applicant is lo-  
27 cated; and

28 (E) Whether the applicant has an alternative means of acquiring the requested  
29 preparedness equipment.

30 (c) The office shall issue grants to applicants identified under paragraph (b) of this sub-  
31 section after entering into grant agreements with the applicants as provided in paragraph  
32 (e) of this subsection. The office may either purchase the requested preparedness equipment  
33 for distribution to a recipient or disburse funds to the recipient for the purchase of the re-  
34 quested preparedness equipment.

35 (d) The Public Contracting Code does not apply to the acquisition of preparedness equip-  
36 ment by the office or by a recipient pursuant to this section. When acquiring preparedness  
37 equipment pursuant to this section, the office and recipients shall use procurement methods  
38 that are impartial and transparent to the greatest extent feasible and are designed to maxi-  
39 mize value to the State of Oregon.

40 (e) The office may not disburse preparedness equipment or funds under this section un-  
41 less the office and the intended recipient first enter into a grant agreement. The grant  
42 agreement:

43 (A) Shall require the recipient to maintain the preparedness equipment.

44 (B) Shall provide that, if a recipient fails to adequately maintain preparedness equipment,  
45 the recipient must relinquish possession of the preparedness equipment or reimburse the

1 office for the cost of the preparedness equipment.

2 (C) Shall specify that the office may conduct periodic inspections of the preparedness  
3 equipment as described in paragraph (f) of this subsection.

4 (D) Shall specify that preparedness equipment distributed to the recipient remains the  
5 property of the office until it is fully depreciated under governmental accounting principles,  
6 after which the office may offer the preparedness equipment for sale to the recipient at its  
7 fair market value at the time of sale.

8 (E) May permit the recipient to use the preparedness equipment for any purpose, gov-  
9 ernmental or otherwise, that is permissible for assets financed with tax-exempt bonds, in-  
10 cluding nonemergency purposes.

11 (F) Shall require private organizations to obtain approval from the office before making  
12 any use of preparedness equipment that is outside the scope of the purpose of the private  
13 organization as stated in the formation documents or bylaws of the organization.

14 (G) Shall require the recipient to take action or refrain from action as necessary to  
15 maintain federal tax benefits related to any tax-exempt bonds that are used to fund the grant  
16 and to indemnify the State of Oregon for any costs, expenses or liability due to loss of such  
17 federal tax benefits caused by action or inaction of the recipient.

18 (f) The office shall conduct periodic inspections of preparedness equipment distributed  
19 or purchased through the grant program to ensure that recipients are adequately maintain-  
20 ing the preparedness equipment. If the office finds that any preparedness equipment is not  
21 adequately maintained, the office may take possession of the preparedness equipment or re-  
22 quire the recipient to reimburse the office for the cost of the preparedness equipment.

23 (g) The office may transfer between recipients, dispose of or otherwise manage the  
24 preparedness equipment as it determines is in the best interests of meeting the emergency  
25 preparedness needs of the State of Oregon. If the office disposes of preparedness equipment  
26 for any reason, including sale to a recipient as provided in paragraph (e)(D) of this sub-  
27 section, the office shall deposit any moneys it receives from the disposal in the Resiliency  
28 Grant Fund established under section 2 of this 2016 Act.

29 (4) On or before December 31 of each year, the office shall submit a report to the Leg-  
30 islative Assembly and to the Oregon Homeland Security Council that describes the adminis-  
31 tration and effectiveness of the grant program established under this section and the current  
32 prioritized list of preparedness equipment types.

33 (5) The office shall adopt rules to administer and implement the provisions of this sec-  
34 tion.

35 **SECTION 2.** The Resiliency Grant Fund is established in the State Treasury, separate and  
36 distinct from the General Fund. Interest earned by the Resiliency Grant Fund must be  
37 credited to the fund. The Resiliency Grant Fund consists of moneys deposited in the fund  
38 under sections 1 and 3 of this 2016 Act and may include moneys appropriated, allocated, de-  
39 posited or transferred to the fund by the Legislative Assembly or otherwise and interest  
40 earned on moneys in the fund. The moneys in the fund are continuously appropriated to the  
41 Office of Emergency Management for the purposes specified in section 1 of this 2016 Act.

42 **SECTION 3.** (1) During the biennium beginning on July 1, 2015, the State Treasurer, at  
43 the request of the Oregon Department of Administrative Services, may issue bonds as au-  
44 thorized in Article XI-Q of the Oregon Constitution in an amount not to exceed \$10 million  
45 for the purpose of acquiring preparedness equipment for the grant program described in

1 **section 1 of this 2016 Act, plus an amount estimated by the State Treasurer to pay estimated**  
2 **bond-related costs. Bonds issued under this section are exempt from the requirements of**  
3 **ORS 286A.035.**

4 **(2) The State Treasurer shall deposit the net proceeds of bonds issued pursuant to this**  
5 **section in the Resiliency Grant Fund established under section 2 of this 2016 Act.**

6 **SECTION 4. This 2016 Act being necessary for the immediate preservation of the public**  
7 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**  
8 **on its passage.**

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