

A-Engrossed House Bill 5202

Ordered by the House February 26
Including House Amendments dated February 26

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

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.

[Revises amounts authorized for issuance of general obligation bonds of state during 2015-2017 biennium.]

Modifies amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium.

Authorizes issuance of various lottery bonds.

Provides that certain prerequisites for sale of Article XI-F(1) and Article XI-G bonds do not apply to refunding bonds.

Modifies prerequisites for distribution of bond proceeds for Coos Bay Channel Project.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to state financial administration; creating new provisions; amending ORS 286A.830, 286A.836 and 286A.851 and section 14, chapter 746, Oregon Laws 2007, section 4, chapter 906, Oregon Laws 2009, section 11, chapter 79, Oregon Laws 2012, and sections 1, 2, 3 and 10, chapter 685, Oregon Laws 2015; and declaring an emergency.

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

SECTION 1. Section 1, chapter 685, Oregon Laws 2015, is amended to read:

Sec. 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds of the state during the 2015-2017 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

- (1) Oregon Department of Administrative Services, Oregon Health and Science University, Cancer Institute (Art. XI-G)..... \$ 200,035,000
- (2) Higher Education Coordinating Commission (Art. XI-G):
 - (a) Oregon State University:
 - (A) Forest Science Complex \$ 30,140,000
 - (B) Marine Studies Campus Phase I..... \$ 25,155,000
 - (b) Portland State University,

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	Neuberger Hall Renovation		
2	and Deferred Maintenance	\$	10,220,000
3	(c) University of Oregon:		
4	(A) Klamath Hall Renovation	\$	6,325,000
5	(B) College and Careers Building ...	\$	17,275,000
6	(C) Chapman Hall Renovation	\$	2,550,000
7	(d) Oregon Institute of		
8	Technology, Center for		
9	Excellence in Engineering		
10	and Technology	\$	785,000
11	(e) Blue Mountain Community		
12	College, Animal Science		
13	Education Center	\$	3,331,350
14	(f) Columbia Gorge Community		
15	College, [<i>Advanced Technology</i>]		
16	[<i>Center</i>] Middle College		
17	Prototype Facility	\$	7,320,000
18	(g) Klamath Community College,		
19	Student Success and		
20	Career/Technical Center	\$	7,850,000
21	(h) Mt. Hood Community		
22	College, Technology		
23	Innovation Center	\$	8,000,000
24	(i) Portland Community		
25	College, American		
26	Manufacturing Innovation		
27	District Building	\$	5,070,000
28	[(i)] (j) Rogue Community College,		
29	Health and Science Center.....	\$	8,000,000
30	[(j)] (k) Southwestern Oregon		
31	Community College, Health		
32	and Science Building.....	\$	8,000,000
33	[(k)] (L) Treasure Valley Community		
34	College, Workforce Vocational		
35	Center	\$	2,830,250
36	[(L)] (m) Umpqua Community College,		
37	Industrial Arts Center	\$	8,000,000
38	(3) Oregon Business Development		
39	Department (Art. XI-M)	\$	176,870,000
40	(4) Oregon Business Development		
41	Department (Art. XI-N).....	\$	30,440,000
42	(5) Department of		
43	Education (Art. XI-P)	\$	126,210,000
44	(6) Oregon Department of		
45	Administrative		

1	Services (Art. XI-Q).....	[\$ 369,640,000]
2	.....	\$ 450,735,000
3	(7) Department of	
4	Transportation (Art. XI,	
5	section 7).....	\$ 35,475,000
6	<u>Dedicated Fund Obligations</u>	
7	(8) Department of Veterans'	
8	Affairs (Art. XI-A).....	\$ 100,000,000
9	(9) Higher Education Coordinating	
10	Commission (Art. XI-F(1)):	
11	(a) Portland State University:	
12	(A) Land Acquisition for University	
13	Center Building	\$ 10,220,000
14	(B) Broadway Housing Purchase....	[\$ 53,680,000]
15	.....	\$ 48,580,000
16	(C) Corbett Building Purchase....	\$ 5,100,000
17	(b) Oregon State University	
18	Modular Data Center.....	\$ 7,085,000
19	(c) Southern Oregon University:	
20	(A) Jefferson Public Radio	
21	Addition.....	\$ 1,545,000
22	(B) Science Building Deferred	
23	Maintenance.....	\$ 1,695,000
24	(10) Department of Environmental	
25	Quality (Art. XI-H).....	\$ 10,000,000
26	(11) Water Resources Department	
27	(Art. XI-I(1)).....	\$ 30,520,000
28	(12) Housing and Community	
29	Services Department	
30	(Art. XI-I(2)).....	\$ 25,000,000
31	(13) State Department of Energy	
32	(Art. XI-J).....	\$ 25,000,000
33	<u>Total General Obligation</u>	
34	<u>Bonds</u>	[\$1,345,956,600]
35	.....	\$ 1,435,361,600

SECTION 2. Section 2, chapter 685, Oregon Laws 2015, is amended to read:

Sec. 2. The amounts authorized, as provided by ORS 286A.035, for issuance of revenue bonds of the state during the 2015-2017 biennium are as follows:

40	REVENUE BONDS	
41	<u>Direct Revenue Bonds</u>	
42	Housing and Community	
43	Services Department	\$ 300,000,000
44	Highway User Tax Bonds.....	\$ 393,160,000
45	Oregon Business Development	

1	Department.....	\$	30,000,000
2	Oregon Department of		
3	Administrative Services,		
4	Lottery Revenue Bonds	[\$	201,795,000]
5	.....	\$	213,125,000
6	[State Department of Energy.....	\$	20,000,000]
7	<u>Total Direct Revenue</u>		
8	<u>Bonds</u>	[\$	944,955,000]
9	.....	\$	936,285,000
10	<u>Pass-Through Revenue Bonds</u>		
11	Oregon Business Development		
12	Department, Industrial		
13	Development Bonds	\$	200,000,000
14	Oregon Business Development		
15	Department, Beginning and		
16	Expanding Farmer Loan		
17	Program.....	\$	10,000,000
18	Oregon Facilities Authority	\$	950,000,000
19	Housing and Community		
20	Services Department	\$	250,000,000
21	<u>Total Pass-Through Revenue</u>		
22	<u>Bonds</u>	\$	1,410,000,000
23	<u>Total Revenue</u>		
24	<u>Bonds</u>	[\$2,354,955,000]	
25	.....	\$	2,346,285,000

SECTION 3. Section 3, chapter 685, Oregon Laws 2015, is amended to read:

Sec. 3. The amount authorized, as provided by ORS 286A.035, for issuance of certificates of participation and other financing agreements of the state during the 2015-2017 biennium for the Oregon Department of Administrative Services is [~~\$40,000,000~~] **\$46,500,000**.

SECTION 4. Section 4, chapter 906, Oregon Laws 2009, as amended by section 3, chapter 624, Oregon Laws 2011, section 19, chapter 786, Oregon Laws 2013, section 15, chapter 121, Oregon Laws 2014, and section 37, chapter 812, Oregon Laws 2015, is amended to read:

Sec. 4. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the Housing and Community Services Department, the State Treasurer is authorized to issue lottery bonds for the Housing and Community Services Department to provide financial assistance to aid in the acquisition, renovation or maintenance of section 8 housing or other housing with federal rent subsidies.

(2) The use of lottery bond proceeds is authorized based on the following findings:

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

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

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section may not exceed the amount of [~~\$31,301,718~~] **\$33,801,718** plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

1 **SECTION 5.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
2 Department of Administrative Services, after the department consults with the City of
3 Warrenton, the State Treasurer is authorized to issue lottery bonds pursuant to ORS
4 286A.560 to 286A.585 in an amount that produces \$3,000,000 in net proceeds and interest
5 earnings for the purpose described in subsection (2) of this section, plus an additional amount
6 estimated by the State Treasurer to be necessary to pay bond-related costs.

7 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
8 provide \$3,000,000 in net proceeds and interest earnings must be transferred to the depart-
9 ment for deposit in the ODAS Economic Development Distributions Fund established under
10 ORS 461.553 for distribution to the City of Warrenton for the purpose of financing the re-
11 building of a dock destroyed by fire in Warrenton, Oregon.

12 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs
13 and further economic development, and is authorized based on the following findings:

14 (a) The dock is a critical delivery point for fishing vessels.

15 (b) The dock is essential to the continued operation in Oregon of a major employer in
16 Warrenton.

17 (c) Rebuilding the dock will retain jobs in Oregon and facilitate and encourage economic
18 development.

19 **SECTION 6.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
20 Department of Administrative Services, after the department consults with the Department
21 of Transportation and Harney County, the State Treasurer is authorized to issue lottery
22 bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2,000,000 in net
23 proceeds and interest earnings for the purpose described in subsection (2) of this section,
24 plus an additional amount estimated by the State Treasurer to be necessary to pay bond-
25 related costs.

26 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
27 provide \$2,000,000 in net proceeds and interest earnings must be transferred to the Depart-
28 ment of Transportation for deposit in the DOT Economic Development Distributions Fund
29 established in ORS 461.557 for distribution to Harney County for the purpose of improving
30 Juntura Road in Harney and Malheur Counties.

31 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs
32 and further economic development, and is authorized based on the following findings:

33 (a) Improvement of Juntura Road is necessary in order to ensure that residents of
34 Harney and Malheur Counties are able to reach a major local employer.

35 (b) Improvement of Juntura Road will retain and create jobs in Oregon and facilitate and
36 encourage economic development.

37 **SECTION 7.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
38 Department of Administrative Services, after the department consults with the Oregon
39 Business Development Department, the State Treasurer is authorized to issue lottery bonds
40 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2,500,000 in net proceeds
41 and interest earnings for the purpose described in subsection (2) of this section, plus an ad-
42 ditional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

43 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
44 provide \$2,500,000 in net proceeds and interest earnings must be transferred to the Oregon
45 Business Development Department for deposit in the American Manufacturing Innovation

1 **District Fund established in section 7a of this 2016 Act for support of the American Manu-**
2 **facturing Innovation District project.**

3 **(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs**
4 **and further economic development, and is authorized based on the finding that the American**
5 **Manufacturing Innovation District project will enable and encourage the development of a**
6 **robust manufacturing sector in the Oregon economy.**

7 **SECTION 7a. (1) The American Manufacturing Innovation District Fund is established in**
8 **the State Treasury, separate and distinct from the General Fund. Interest earned on moneys**
9 **in the American Manufacturing Innovation District Fund shall be credited to the fund. The**
10 **fund consists of moneys deposited in the fund under section 7 of this 2016 Act and may in-**
11 **clude fees, revenues or other income deposited into the fund by the Legislative Assembly.**

12 **(2) Moneys in the American Manufacturing Innovation District Fund are continuously**
13 **appropriated to the Oregon Business Development Department for the purpose described in**
14 **section 7 of this 2016 Act.**

15 **SECTION 8.** Section 10, chapter 685, Oregon Laws 2015, is amended to read:

16 **Sec. 10.** Out of the amount specified in section 1 (6) [*of this 2015 Act*], **chapter 685, Oregon**
17 **Laws 2015**, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed
18 **[\$27,775,000] \$29,175,000** of net proceeds for the purposes **and in the manner** specified in section
19 **8 [(3)],** chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay es-
20 **timated bond-related costs.**

21 **SECTION 9.** ORS 286A.830 is amended to read:

22 **286A.830.** As used in ORS 286A.830 to 286A.863:

23 **(1) “Article XI-F(1) bonds” means bonds issued under the authority of Article XI-F(1) of the**
24 **Oregon Constitution for the benefit of a public university.**

25 **(2) “Article XI-G bonds” means bonds issued under the authority of Article XI-G of the Oregon**
26 **Constitution for the benefit of a public university.**

27 **(3) “Bond-related costs” means:**

28 **(a) The costs of paying the principal of, the interest on and the premium, if any, on higher ed-**
29 **ucation bonds;**

30 **(b) The costs and expenses of issuing, administering and maintaining higher education bonds**
31 **including, but not limited to:**

32 **(A) Costs and expenses of redeeming higher education bonds;**

33 **(B) Amounts due in connection with credit enhancement devices or agreements for exchange of**
34 **interest rates; and**

35 **(C) Fees, administrative costs and expenses of the State Treasurer, the Oregon Department of**
36 **Administrative Services or the Higher Education Coordinating Commission, including the costs of**
37 **consultants or advisers retained by the State Treasurer, the department or the commission;**

38 **(c) The costs of funding reserves for the higher education bonds;**

39 **(d) Capitalized interest for the higher education bonds;**

40 **(e) Rebates or penalties due to the United States in connection with the higher education bonds;**

41 **(f) Expenses and liabilities arising from an inquiry, audit or other action relating to the higher**
42 **education bonds by a federal or state regulatory body, including, but not limited to, legal expenses;**
43 **and**

44 **(g) Any other costs or expenses that the State Treasurer, the department or the commission**
45 **determines are necessary or desirable in connection with issuing and maintaining the higher edu-**

1 cation bonds.

2 (4) "Federal tax benefit" means the excludability of interest on higher education bonds from
3 gross income under the Internal Revenue Code, the qualification of higher education bonds for any
4 federal interest subsidy payment or any other tax-advantaged status granted under the Internal Re-
5 venue Code.

6 (5) "Grant contract" means a contract approved by the department and executed by a public
7 university and the commission that establishes the terms and conditions for issuance of Article XI-G
8 bonds and the disbursement of proceeds to the public university.

9 (6) "Higher education bonds" means Article XI-F(1) bonds and Article XI-G bonds.

10 (7) "Loan agreement" means a contract approved by the department and executed by a public
11 university and the commission that establishes the terms and conditions for issuance of Article
12 XI-F(1) bonds, lending of bond proceeds and loan repayment.

13 (8) "Loan repayment schedule" means the schedule of repayment of loans made with proceeds
14 of Article XI-F(1) bonds that a public university is obligated to make to the State of Oregon pursuant
15 to a loan agreement.

16 (9) "Matching amount" means moneys unconditionally available to a public university for the
17 same or similar purposes as the proceeds of Article XI-G bonds issued for the benefit of the public
18 university and meeting the requirements set forth in Article XI-G, section 1 (3), of the Oregon Con-
19 stitution.

20 (10) "Public university" means any institution established as a public university under ORS
21 352.002.

22 (11) **"Refunding bond" means an Article XI-F(1) bond issued for the purpose of refunding**
23 **an outstanding Article XI-F(1) bond, or an Article XI-G bond issued for the purpose of re-**
24 **funding an outstanding Article XI-G bond, regardless of whether the refunding is on a cur-**
25 **rent, advance, forward delivery, synthetic or other basis.**

26 [(11)] (12) "Revenue sufficiency" means the condition of having revenues, not including amounts
27 appropriated by the Legislative Assembly from the General Fund, that are conservatively estimated
28 to be lawfully available and sufficient to pay debt service on particular Article XI-F(1) bonds and
29 operate the projects financed with the proceeds of those Article XI-F(1) bonds.

30 **SECTION 10.** ORS 286A.836 is amended to read:

31 286A.836. Prior to the sale of any Article XI-F(1) bonds, **except for refunding bonds**, a public
32 university and the Higher Education Coordinating Commission shall enter into a loan agreement
33 that includes:

34 (1) A representation by the public university that it has revenue sufficiency for the Article
35 XI-F(1) bonds;

36 (2) A loan repayment schedule and a covenant of the public university to make all required loan
37 repayment schedule payments to the commission prior to the date any bond debt service payments
38 are due on the Article XI-F(1) bonds that financed the loan;

39 (3) Terms and conditions obligating the public university to maintain any federal tax benefits
40 related to the Article XI-F(1) bonds and to execute and deliver any required tax certificates or
41 agreements in connection with any federal tax benefits related to the Article XI-F(1) bonds; and

42 (4) Terms and conditions indemnifying the State of Oregon against regulatory or bondholder li-
43 ability due to the action or inaction of the public university related to the Article XI-F(1) bonds.

44 **SECTION 11.** ORS 286A.851 is amended to read:

45 286A.851. Prior to the sale of any Article XI-G bonds, **except for refunding bonds**, a public

1 university and the Higher Education Coordinating Commission shall enter into a grant contract that
 2 includes:

3 (1) A certification that the requirement for a matching amount is satisfied;

4 (2) Terms and conditions obligating the public university to maintain any federal tax benefit
 5 related to the Article XI-G bonds and to execute and deliver any required tax certificates or
 6 agreements in connection with any federal tax benefit related to the Article XI-G bonds; and

7 (3) Terms and conditions indemnifying the State of Oregon against regulatory or bondholder li-
 8 ability due to the action or inaction of the public university related to the Article XI-G bonds.

9 **SECTION 12.** Section 11, chapter 79, Oregon Laws 2012, is amended to read:

10 **Sec. 11.** Notwithstanding any other law limiting expenditures, the following amounts are estab-
 11 lished for a six-year period beginning July 1, 2011, as the maximum limit for payment of expenses
 12 under this section from lottery bond proceeds collected or received by the Department of Community
 13 Colleges and Workforce Development pursuant to section 2, chapter 78, Oregon Laws 2012 (Enrolled
 14 House Bill 5201), for community college districts for capital construction, deferred maintenance,
 15 capital renewal, code compliance and safety projects:

16
 17
 18 Lottery Bonds

- 19 (1) Blue Mountain Community College
 20 [Veterinary Assistant]
 21 [Certificate Program]
 22 **Animal Science Education Center.** \$ 465,037
- 23 (2) Central Oregon Community College
 24 Math and Science Laboratories,
 25 Redmond Campus \$ 500,000
- 26 (3) Chemeketa Community College
 27 CTE/STEM Facilities Improvement
 28 Project \$ 1,000,000
- 29 (4) Clackamas Community College
 30 Industrial Technology and Science
 31 Workforce Advancement \$ 800,000
- 32 (5) Clatsop Community College
 33 Welding and Fabrication
 34 Program \$ 281,785
- 35 (6) Columbia Gorge Community College
 36 CGCC Rural Clinical Simulation
 37 Center Essential Capital
 38 Equipment Replacement \$ 297,193
- 39 (7) Klamath Community College
 40 Culinary Arts, AAS; Foodservice
 41 Systems; Administration and
 42 Management \$ 300,000
- 43 (8) Lane Community College
 44 Science, Technology, Engineering
 45 and Math Classrooms and Labs \$ 1,000,000

1	(9)	Linn-Benton Community College	
2		Advanced Transportation	
3		Technology Center.....	\$ 800,000
4	(10)	Mt. Hood Community College	
5		Lab and Classroom Additions	
6		and Upgrades	\$ 800,000
7	(11)	Oregon Coast Community College	
8		Renovations to Allied Health	
9		Training Center and Science	
10		Laboratory	\$ 273,235
11	(12)	Portland Community College	
12		Trades Training Center.....	\$ 1,000,000
13	(13)	Rogue Community College	
14		Manufacturing and	
15		Fabrication Flex Lab	\$ 500,000
16	(14)	Southwestern Oregon Community College	
17		Renovate Labs and Classrooms	
18		for STEM and CTE Support.....	\$ 387,200
19	(15)	Tillamook Bay Community College	
20		Ag and Natural Resources	
21		Learning Lab.....	\$ 300,000
22	(16)	Treasure Valley Community College	
23		Science and Technology	
24		Classrooms and Labs and	
25		Agriculture Livestock Center	
26		Classroom and Lab.....	\$ 500,000
27	(17)	Umpqua Community College	
28		Douglas County CTE/STEM	
29		Centers	\$ 400,000

SECTION 13. The proceeds from the lottery bonds authorized for expenditure under section 11, chapter 79, Oregon Laws 2012, for Blue Mountain Community College may be used to provide all or a portion of the required matching amounts for bonds issued under section 1 (2)(e), chapter 685, Oregon Laws 2015.

SECTION 14. Section 14, chapter 746, Oregon Laws 2007, as amended by section 2, chapter 900, Oregon Laws 2009, section 2, chapter 754, Oregon Laws 2013, and section 4, chapter 815, Oregon Laws 2015, is amended to read:

Sec. 14. (1) The Director of the Oregon Business Development Department shall enter into one or more grant agreements with the primary sponsor that require the Oregon Business Development Department to disburse, over the course of the project, an aggregate principal amount of \$60 million for payment of the expenses of the Coos Bay Channel Project, in the increments described in section 13 (2), chapter 746, Oregon Laws 2007, from the Coos Bay Channel Fund established pursuant to section 15, chapter 746, Oregon Laws 2007, to the primary sponsor. The department shall make disbursements from the fund as soon as bond proceeds are deposited in the fund.

1 (2) The one or more grant agreements must, subject to subsection (3) of this section, establish
2 appropriate triggers for the incremental biennial distribution of bond proceeds described in section
3 13 (2), chapter 746, Oregon Laws 2007, based on appropriate measures of progress in completion of
4 the project that are satisfactory to the director and consistent with prudent financial practices that
5 reflect sound stewardship of public resources.

6 (3)(a) Prior to the distribution of the bond proceeds described in section 13 (2)(b), chapter 746,
7 Oregon Laws 2007, the primary sponsor shall provide to the director a budget document outlining
8 expenditures for the Coos Bay Channel Project and shall[:]

9 [(A)] verify and certify to the director that the primary sponsor has prepared and submitted to
10 the United States Army Corps of Engineers the tentatively selected plan report identifying the pre-
11 ferred alternative for the project.

12 [(B) *Verify and certify to the director that:*]

13 [(i) *The final environmental impact statement and the draft record of decision have been issued in*
14 *accordance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.); and]*

15 [(ii) *The Oregon International Port of Coos Bay has prepared and submitted to the United States*
16 *Army Corps of Engineers a draft combined report pursuant to section 204 of the Water Resources De-*
17 *velopment Act of 1986 (P.L. 99-662) and section 14 of the Rivers and Harbors Appropriation Act of*
18 *1899 (33 U.S.C. 408) for technical agency review.*]

19 (b) Prior to the distribution of the bond proceeds described in section 13 (2)(c), chapter 746,
20 Oregon Laws 2007, the primary sponsor shall provide to the director a budget document outlining
21 expenditures for the Coos Bay Channel Project and verify and certify to the director that:

22 **(A) The final environmental impact statement and the draft record of decision have been**
23 **issued in accordance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.);**

24 **(B) The Oregon International Port of Coos Bay has prepared and submitted to the United**
25 **States Army Corps of Engineers a draft combined report pursuant to section 204 of the**
26 **Water Resources Development Act of 1986 (P.L. 99-662) and section 14 of the Rivers and**
27 **Harbors Appropriation Act of 1899 (33 U.S.C. 408) for technical agency review;**

28 [(A)] (C) The Director of Civil Works for the United States Army Corps of Engineers has ap-
29 proved the project pursuant to section 14 of the Rivers and Harbors Appropriation Act of 1899;

30 [(B)] (D) The United States Army Corps of Engineers Portland District has issued permits for
31 construction pursuant to section 404 of the Federal Water Pollution Control Act (P.L. 92-500), as
32 amended, and section 10 of the Rivers and Harbors Appropriation Act of 1899; and

33 [(C)] (E) The Assistant Secretary of the Army (Civil Works) for the United States Army Corps
34 of Engineers has approved and executed an agreement pursuant to section 204(f) of the Water Re-
35 sources Development Act of 1986.

36 (4) The State of Oregon and its agencies and departments are not liable to the lenders, vendors
37 or contractors of the Oregon sponsors for any action or omission under sections 11 to 15, chapter
38 746, Oregon Laws 2007.

39 (5) By receipt of any part of net proceeds of lottery bonds described in section 13, chapter 746,
40 Oregon Laws 2007, the primary sponsor agrees to indemnify the state and its agencies and depart-
41 ments to the fullest extent permitted by law for liability the state or its agencies and departments
42 might incur in connection with any borrowing by the primary sponsor for the project.

43 (6) The director and the primary sponsor shall modify the existing grant agreement as may be
44 necessary to incorporate the amendments to this section and section 13, chapter 746, Oregon Laws
45 2007, by sections 1 and 2, chapter 754, Oregon Laws 2013.

1 **SECTION 15. This 2016 Act being necessary for the immediate preservation of the public**
2 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**
3 **on its passage.**

4
