

## HOUSE AMENDMENTS TO HOUSE BILL 5202

By JOINT COMMITTEE ON WAYS AND MEANS

February 26

1 On page 1 of the printed bill, line 2, after the first semicolon insert “creating new provisions;”  
2 and after “amending” delete the rest of the line and insert “ORS 286A.830, 286A.836 and 286A.851  
3 and section 14, chapter 746, Oregon Laws 2007, section 4, chapter 906, Oregon Laws 2009, section  
4 11, chapter 79, Oregon Laws 2012, and sections 1, 2, 3 and 10, chapter 685, Oregon Laws 2015;  
5 and”.

6 Delete lines 5 through 31 and delete pages 2 and 3 and insert:

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

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

10  
11 **GENERAL OBLIGATION BONDS**

12 General Fund Obligations

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

1	College, Animal Science		
2	Education Center .....	\$	3,331,350
3	(f) Columbia Gorge Community		
4	College, [ <i>Advanced Technology</i> ]		
5	[ <i>Center</i> ] <b>Middle College</b>		
6	<b>Prototype Facility</b> .....	\$	7,320,000
7	(g) Klamath Community College,		
8	Student Success and		
9	Career/Technical Center .....	\$	7,850,000
10	(h) Mt. Hood Community		
11	College, Technology		
12	Innovation Center .....	\$	8,000,000
13	(i) <b>Portland Community</b>		
14	<b>College, American</b>		
15	<b>Manufacturing Innovation</b>		
16	<b>District Building</b> .....	\$	<b>5,070,000</b>
17	[(i)] (j) Rogue Community College,		
18	Health and Science Center.....	\$	8,000,000
19	[(j)] (k) Southwestern Oregon		
20	Community College, Health		
21	and Science Building.....	\$	8,000,000
22	[(k)] (L) Treasure Valley Community		
23	College, Workforce Vocational		
24	Center .....	\$	2,830,250
25	[(L)] (m) Umpqua Community College,		
26	Industrial Arts Center .....	\$	8,000,000
27	(3) Oregon Business Development		
28	Department (Art. XI-M).....	\$	176,870,000
29	(4) Oregon Business Development		
30	Department (Art. XI-N).....	\$	30,440,000
31	(5) Department of		
32	Education (Art. XI-P).....	\$	126,210,000
33	(6) Oregon Department of		
34	Administrative		
35	Services (Art. XI-Q).....	[\$	369,640,000]
36	.....	\$	<b>450,735,000</b>
37	(7) Department of		
38	Transportation (Art. XI,		
39	section 7).....	\$	35,475,000
40	<u>Dedicated Fund Obligations</u>		
41	(8) Department of Veterans'		
42	Affairs (Art. XI-A).....	\$	100,000,000
43	(9) Higher Education Coordinating		
44	Commission (Art. XI-F(1)):		
45	(a) Portland State University:		

1	(A) Land Acquisition for University		
2	Center Building .....	\$	10,220,000
3	(B) Broadway Housing Purchase.....	[\$	53,680,000]
4	.....	\$	<b>48,580,000</b>
5	(C) <b>Corbett Building Purchase....</b>	<b>\$</b>	<b>5,100,000</b>
6	(b) Oregon State University		
7	Modular Data Center .....	\$	7,085,000
8	(c) <b>Southern Oregon University:</b>		
9	(A) <b>Jefferson Public Radio</b>		
10	<b>Addition.....</b>	<b>\$</b>	<b>1,545,000</b>
11	(B) <b>Science Building Deferred</b>		
12	<b>Maintenance.....</b>	<b>\$</b>	<b>1,695,000</b>
13	(10) Department of Environmental		
14	Quality (Art. XI-H).....	\$	10,000,000
15	(11) Water Resources Department		
16	(Art. XI-I(1)).....	\$	30,520,000
17	(12) Housing and Community		
18	Services Department		
19	(Art. XI-I(2)).....	\$	25,000,000
20	(13) State Department of Energy		
21	(Art. XI-J).....	\$	25,000,000
22	<u>Total General Obligation</u>		
23	<u>Bonds</u> .....	[\$	1,345,956,600]
24	.....	<b>\$</b>	<b>1,435,361,600</b>

25 “**SECTION 2.** Section 2, chapter 685, Oregon Laws 2015, is amended to read:  
26 “**Sec. 2.** The amounts authorized, as provided by ORS 286A.035, for issuance of revenue bonds  
27 of the state during the 2015-2017 biennium are as follows:  
28

29	REVENUE BONDS		
30	<u>Direct Revenue Bonds</u>		
31	Housing and Community		
32	Services Department .....	\$	300,000,000
33	Highway User Tax Bonds.....	\$	393,160,000
34	Oregon Business Development		
35	Department.....	\$	30,000,000
36	Oregon Department of		
37	Administrative Services,		
38	Lottery Revenue Bonds .....	[\$	201,795,000]
39	.....	<b>\$</b>	<b>213,125,000</b>
40	[State Department of Energy .....	\$	20,000,000]
41	<u>Total Direct Revenue</u>		
42	<u>Bonds</u> .....	[\$	944,955,000]
43	.....	<b>\$</b>	<b>936,285,000</b>
44	<u>Pass-Through Revenue Bonds</u>		
45	Oregon Business Development		

1	Department, Industrial	
2	Development Bonds .....	\$ 200,000,000
3	Oregon Business Development	
4	Department, Beginning and	
5	Expanding Farmer Loan	
6	Program .....	\$ 10,000,000
7	Oregon Facilities Authority .....	\$ 950,000,000
8	Housing and Community	
9	Services Department .....	\$ 250,000,000
10	<u>Total Pass-Through Revenue</u>	
11	<u>Bonds</u> .....	\$ 1,410,000,000
12	<u>Total Revenue</u>	
13	<u>Bonds</u> .....	[\$2,354,955,000]
14	.....	\$ 2,346,285,000

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

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

19 **“SECTION 4.** Section 4, chapter 906, Oregon Laws 2009, as amended by section 3, chapter 624,  
20 Oregon Laws 2011, section 19, chapter 786, Oregon Laws 2013, section 15, chapter 121, Oregon Laws  
21 2014, and section 37, chapter 812, Oregon Laws 2015, is amended to read:

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

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

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

31 **“(b)** Having housing for at-risk populations is essential to Oregon’s healthy economic growth.

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

35 **“SECTION 5. (1) For the biennium beginning July 1, 2015, at the request of the Oregon**  
36 **Department of Administrative Services, after the department consults with the City of**  
37 **Warrenton, the State Treasurer is authorized to issue lottery bonds pursuant to ORS**  
38 **286A.560 to 286A.585 in an amount that produces \$3,000,000 in net proceeds and interest**  
39 **earnings for the purpose described in subsection (2) of this section, plus an additional amount**  
40 **estimated by the State Treasurer to be necessary to pay bond-related costs.**

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

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

3       **“(a) The dock is a critical delivery point for fishing vessels.**

4       **“(b) The dock is essential to the continued operation in Oregon of a major employer in**  
5 **Warrenton.**

6       **“(c) Rebuilding the dock will retain jobs in Oregon and facilitate and encourage economic**  
7 **development.**

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

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

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

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

24       **“(b) Improvement of Juntura Road will retain and create jobs in Oregon and facilitate**  
25 **and encourage economic development.**

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

32       **“(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to**  
33 **provide \$2,500,000 in net proceeds and interest earnings must be transferred to the Oregon**  
34 **Business Development Department for deposit in the American Manufacturing Innovation**  
35 **District Fund established in section 7a of this 2016 Act for support of the American Manu-**  
36 **facturing Innovation District project.**

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

41       **“SECTION 7a. (1) The American Manufacturing Innovation District Fund is established**  
42 **in the State Treasury, separate and distinct from the General Fund. Interest earned on**  
43 **moneys in the American Manufacturing Innovation District Fund shall be credited to the**  
44 **fund. The fund consists of moneys deposited in the fund under section 7 of this 2016 Act and**  
45 **may include fees, revenues or other income deposited into the fund by the Legislative As-**

1 **sembly.**

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

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

6 **“Sec. 10.** Out of the amount specified in section 1 (6) [*of this 2015 Act*], **chapter 685, Oregon**  
7 **Laws 2015,** the State Treasurer may issue Article XI-Q bonds in an amount not to exceed  
8 [*\$27,775,000*] **\$29,175,000** of net proceeds for the purposes **and in the manner** specified in section  
9 8 [(3)], chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay es-  
10 timated bond-related costs.

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

12 **“286A.830.** As used in ORS 286A.830 to 286A.863:

13 **“(1) ‘Article XI-F(1) bonds’** means bonds issued under the authority of Article XI-F(1) of the  
14 Oregon Constitution for the benefit of a public university.

15 **“(2) ‘Article XI-G bonds’** means bonds issued under the authority of Article XI-G of the Oregon  
16 Constitution for the benefit of a public university.

17 **“(3) ‘Bond-related costs’** means:

18 **“(a)** The costs of paying the principal of, the interest on and the premium, if any, on higher  
19 education bonds;

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

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

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

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

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

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

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

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

35 **“(g)** Any other costs or expenses that the State Treasurer, the department or the commission  
36 determines are necessary or desirable in connection with issuing and maintaining the higher edu-  
37 cation bonds.

38 **“(4) ‘Federal tax benefit’** means the excludability of interest on higher education bonds from  
39 gross income under the Internal Revenue Code, the qualification of higher education bonds for any  
40 federal interest subsidy payment or any other tax-advantaged status granted under the Internal Re-  
41 venue Code.

42 **“(5) ‘Grant contract’** means a contract approved by the department and executed by a public  
43 university and the commission that establishes the terms and conditions for issuance of Article XI-G  
44 bonds and the disbursement of proceeds to the public university.

45 **“(6) ‘Higher education bonds’** means Article XI-F(1) bonds and Article XI-G bonds.

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

4 “(8) ‘Loan repayment schedule’ means the schedule of repayment of loans made with proceeds  
5 of Article XI-F(1) bonds that a public university is obligated to make to the State of Oregon pursuant  
6 to a loan agreement.

7 “(9) ‘Matching amount’ means moneys unconditionally available to a public university for the  
8 same or similar purposes as the proceeds of Article XI-G bonds issued for the benefit of the public  
9 university and meeting the requirements set forth in Article XI-G, section 1 (3), of the Oregon Con-  
10 stitution.

11 “(10) ‘Public university’ means any institution established as a public university under ORS  
12 352.002.

13 “(11) **‘Refunding bond’ means an Article XI-F(1) bond issued for the purpose of refunding**  
14 **an outstanding Article XI-F(1) bond, or an Article XI-G bond issued for the purpose of re-**  
15 **funding an outstanding Article XI-G bond, regardless of whether the refunding is on a cur-**  
16 **rent, advance, forward delivery, synthetic or other basis.**

17 “[~~(11)~~] (12) ‘Revenue sufficiency’ means the condition of having revenues, not including amounts  
18 appropriated by the Legislative Assembly from the General Fund, that are conservatively estimated  
19 to be lawfully available and sufficient to pay debt service on particular Article XI-F(1) bonds and  
20 operate the projects financed with the proceeds of those Article XI-F(1) bonds.

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

22 “286A.836. Prior to the sale of any Article XI-F(1) bonds, **except for refunding bonds**, a public  
23 university and the Higher Education Coordinating Commission shall enter into a loan agreement  
24 that includes:

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

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

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

33 “(4) Terms and conditions indemnifying the State of Oregon against regulatory or bondholder  
34 liability due to the action or inaction of the public university related to the Article XI-F(1) bonds.

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

36 “286A.851. Prior to the sale of any Article XI-G bonds, **except for refunding bonds**, a public  
37 university and the Higher Education Coordinating Commission shall enter into a grant contract that  
38 includes:

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

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

43 “(3) Terms and conditions indemnifying the State of Oregon against regulatory or bondholder  
44 liability due to the action or inaction of the public university related to the Article XI-G bonds.

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



1	Laboratory .....	\$ 273,235
2	(12) Portland Community College	
3	Trades Training Center .....	\$ 1,000,000
4	(13) Rogue Community College	
5	Manufacturing and	
6	Fabrication Flex Lab .....	\$ 500,000
7	(14) Southwestern Oregon Community College	
8	Renovate Labs and Classrooms	
9	for STEM and CTE Support.....	\$ 387,200
10	(15) Tillamook Bay Community College	
11	Ag and Natural Resources	
12	Learning Lab.....	\$ 300,000
13	(16) Treasure Valley Community College	
14	Science and Technology	
15	Classrooms and Labs and	
16	Agriculture Livestock Center	
17	Classroom and Lab.....	\$ 500,000
18	(17) Umpqua Community College	
19	Douglas County CTE/STEM	
20	Centers .....	\$ 400,000

21 “

---

22

23 **“SECTION 13. The proceeds from the lottery bonds authorized for expenditure under**  
 24 **section 11, chapter 79, Oregon Laws 2012, for Blue Mountain Community College may be used**  
 25 **to provide all or a portion of the required matching amounts for bonds issued under section**  
 26 **1 (2)(e), chapter 685, Oregon Laws 2015.**

27 **“SECTION 14.** Section 14, chapter 746, Oregon Laws 2007, as amended by section 2, chapter  
 28 900, Oregon Laws 2009, section 2, chapter 754, Oregon Laws 2013, and section 4, chapter 815,  
 29 Oregon Laws 2015, is amended to read:

30 **“Sec. 14.** (1) The Director of the Oregon Business Development Department shall enter into one  
 31 or more grant agreements with the primary sponsor that require the Oregon Business Development  
 32 Department to disburse, over the course of the project, an aggregate principal amount of \$60 million  
 33 for payment of the expenses of the Coos Bay Channel Project, in the increments described in section  
 34 13 (2), chapter 746, Oregon Laws 2007, from the Coos Bay Channel Fund established pursuant to  
 35 section 15, chapter 746, Oregon Laws 2007, to the primary sponsor. The department shall make  
 36 disbursements from the fund as soon as bond proceeds are deposited in the fund.

37 “(2) The one or more grant agreements must, subject to subsection (3) of this section, establish  
 38 appropriate triggers for the incremental biennial distribution of bond proceeds described in section  
 39 13 (2), chapter 746, Oregon Laws 2007, based on appropriate measures of progress in completion of  
 40 the project that are satisfactory to the director and consistent with prudent financial practices that  
 41 reflect sound stewardship of public resources.

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

45 “[A)] verify and certify to the director that the primary sponsor has prepared and submitted to

1 the United States Army Corps of Engineers the tentatively selected plan report identifying the preferred alternative for the project.

2  
3 “[B] Verify and certify to the director that:]

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

5  
6 “[ii] The Oregon International Port of Coos Bay has prepared and submitted to the United States Army Corps of Engineers a draft combined report pursuant to section 204 of the Water Resources Development Act of 1986 (P.L. 99-662) and section 14 of the Rivers and Harbors Appropriation Act of 1899 (33 U.S.C. 408) for technical agency review.]

7  
8  
9  
10 (b) Prior to the distribution of the bond proceeds described in section 13 (2)(c), chapter 746, Oregon Laws 2007, the primary sponsor shall provide to the director a budget document outlining expenditures for the Coos Bay Channel Project and verify and certify to the director that:

11  
12  
13 **“(A) The final environmental impact statement and the draft record of decision have been issued in accordance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.);**

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

16  
17  
18  
19 **“(A)] (C) The Director of Civil Works for the United States Army Corps of Engineers has approved the project pursuant to section 14 of the Rivers and Harbors Appropriation Act of 1899;**

20  
21 **“(B)] (D) The United States Army Corps of Engineers Portland District has issued permits for construction pursuant to section 404 of the Federal Water Pollution Control Act (P.L. 92-500), as amended, and section 10 of the Rivers and Harbors Appropriation Act of 1899; and**

22  
23  
24 **“(C)] (E) The Assistant Secretary of the Army (Civil Works) for the United States Army Corps of Engineers has approved and executed an agreement pursuant to section 204(f) of the Water Resources Development Act of 1986.**

25  
26  
27 (4) The State of Oregon and its agencies and departments are not liable to the lenders, vendors or contractors of the Oregon sponsors for any action or omission under sections 11 to 15, chapter 746, Oregon Laws 2007.

28  
29  
30 (5) By receipt of any part of net proceeds of lottery bonds described in section 13, chapter 746, Oregon Laws 2007, the primary sponsor agrees to indemnify the state and its agencies and departments to the fullest extent permitted by law for liability the state or its agencies and departments might incur in connection with any borrowing by the primary sponsor for the project.

31  
32  
33 (6) The director and the primary sponsor shall modify the existing grant agreement as may be necessary to incorporate the amendments to this section and section 13, chapter 746, Oregon Laws 2007, by sections 1 and 2, chapter 754, Oregon Laws 2013.

34  
35  
36 **“SECTION 15. This 2016 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect on its passage.”.**