

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO  
HOUSE BILL 5202**

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

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

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

10 **“Sec. 1.** The amounts authorized, as provided by ORS 286A.035, for issu-  
11 ance of general obligation bonds of the state during the 2015-2017 biennium  
12 are as follows:

13

14 GENERAL OBLIGATION BONDS

15 General Fund Obligations

- 16 (1) Oregon Department of  
17 Administrative Services,  
18 Oregon Health and Science  
19 University, Cancer  
20 Institute (Art. XI-G)..... \$ 200,035,000

21 (2) Higher Education Coordinating

1	Commission (Art. XI-G):		
2	(a) Oregon State University:		
3	(A) Forest Science Complex .....	\$	30,140,000
4	(B) Marine Studies Campus		
5	Phase I.....	\$	25,155,000
6	(b) Portland State University,		
7	Neuberger Hall Renovation		
8	and Deferred Maintenance .....	\$	10,220,000
9	(c) University of Oregon:		
10	(A) Klamath Hall Renovation .....	\$	6,325,000
11	(B) College and Careers Building ...	\$	17,275,000
12	(C) Chapman Hall Renovation .....	\$	2,550,000
13	(d) Oregon Institute of		
14	Technology, Center for		
15	Excellence in Engineering		
16	and Technology .....	\$	785,000
17	(e) Blue Mountain Community		
18	College, Animal Science		
19	Education Center .....	\$	3,331,350
20	(f) Columbia Gorge Community		
21	College, [ <i>Advanced Technology</i> ]		
22	[ <i>Center</i> ] <b>Middle College</b>		
23	<b>Prototype Facility .....</b>	<b>\$</b>	<b>7,320,000</b>
24	(g) Klamath Community College,		
25	Student Success and		
26	Career/Technical Center .....	\$	7,850,000
27	(h) Mt. Hood Community		
28	College, Technology		
29	Innovation Center .....	\$	8,000,000
30	(i) <b>Portland Community</b>		

1	<b>College, American</b>		
2	<b>Manufacturing Innovation</b>		
3	<b>District Building .....</b>	<b>\$</b>	<b>5,070,000</b>
4	[(i)] (j) Rogue Community College,		
5	Health and Science Center.....	\$	8,000,000
6	[(j)] (k) Southwestern Oregon		
7	Community College, Health		
8	and Science Building.....	\$	8,000,000
9	[(k)] (L) Treasure Valley Community		
10	College, Workforce Vocational		
11	Center .....	\$	2,830,250
12	[(L)] (m) Umpqua Community College,		
13	Industrial Arts Center .....	\$	8,000,000
14	(3) Oregon Business Development		
15	Department (Art. XI-M).....	\$	176,870,000
16	(4) Oregon Business Development		
17	Department (Art. XI-N).....	\$	30,440,000
18	(5) Department of		
19	Education (Art. XI-P) .....	\$	126,210,000
20	(6) Oregon Department of		
21	Administrative		
22	Services (Art. XI-Q).....	[\$	369,640,000]
23	.....	\$	<b>450,735,000</b>
24	(7) Department of		
25	Transportation (Art. XI,		
26	section 7).....	\$	35,475,000
27	<u>Dedicated Fund Obligations</u>		
28	(8) Department of Veterans'		
29	Affairs (Art. XI-A).....	\$	100,000,000
30	(9) Higher Education Coordinating		

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

27 **“SECTION 2.** Section 2, chapter 685, Oregon Laws 2015, is amended to  
28 read:

29 **“Sec. 2.** The amounts authorized, as provided by ORS 286A.035, for issu-  
30 ance of revenue bonds of the state during the 2015-2017 biennium are as fol-

1 lows:

2

3 REVENUE BONDS

4 Direct Revenue Bonds

5	Housing and Community	
6	Services Department .....	\$ 300,000,000
7	Highway User Tax Bonds .....	\$ 393,160,000
8	Oregon Business Development	
9	Department .....	\$ 30,000,000
10	Oregon Department of	
11	Administrative Services,	
12	Lottery Revenue Bonds .....	[\$ 201,795,000]
13	.....	<b>\$ 213,125,000</b>
14	[State Department of Energy .....	\$ 20,000,000]

15 Total Direct Revenue

16	<u>Bonds</u> .....	[\$ 944,955,000]
17	.....	<b>\$ 936,285,000</b>

18 Pass-Through Revenue Bonds

19	Oregon Business Development	
20	Department, Industrial	
21	Development Bonds .....	\$ 200,000,000
22	Oregon Business Development	
23	Department, Beginning and	
24	Expanding Farmer Loan	
25	Program .....	\$ 10,000,000
26	Oregon Facilities Authority .....	\$ 950,000,000
27	Housing and Community	
28	Services Department .....	\$ 250,000,000

29 Total Pass-Through Revenue

30	<u>Bonds</u> .....	\$ 1,410,000,000
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1	<u>Total Revenue</u>	
2	<u>Bonds</u> .....	[\$2,354,955,000]
3	.....	<b>\$ 2,346,285,000</b>

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

6 **“Sec. 3.** The amount authorized, as provided by ORS 286A.035, for issu-  
7 ance of certificates of participation and other financing agreements of the  
8 state during the 2015-2017 biennium for the Oregon Department of Adminis-  
9 trative Services is [~~\$40,000,000~~] **\$46,500,000.**

10 **“SECTION 4.** Section 4, chapter 906, Oregon Laws 2009, as amended by  
11 section 3, chapter 624, Oregon Laws 2011, section 19, chapter 786, Oregon  
12 Laws 2013, section 15, chapter 121, Oregon Laws 2014, and section 37, chapter  
13 812, Oregon Laws 2015, is amended to read:

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

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

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

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

29 **“(3)** The aggregate principal amount of lottery bonds issued pursuant to  
30 subsection (1) of this section may not exceed the amount of [~~\$31,301,718~~]

1 **\$33,801,718** plus an additional amount estimated by the State Treasurer to  
2 be necessary to pay bond-related costs as defined in ORS 286A.560.

3 **“SECTION 5. (1) For the biennium beginning July 1, 2015, at the**  
4 **request of the Oregon Department of Administrative Services, after**  
5 **the department consults with the City of Warrenton, the State Treas-**  
6 **urer is authorized to issue lottery bonds pursuant to ORS 286A.560 to**  
7 **286A.585 in an amount that produces \$3,000,000 in net proceeds and**  
8 **interest earnings for the purpose described in subsection (2) of this**  
9 **section, plus an additional amount estimated by the State Treasurer**  
10 **to be necessary to pay bond-related costs.**

11 **“(2) Net proceeds of lottery bonds issued under this section in an**  
12 **amount sufficient to provide \$3,000,000 in net proceeds and interest**  
13 **earnings must be transferred to the department for deposit in the**  
14 **ODAS Economic Development Distributions Fund established under**  
15 **ORS 461.553 for distribution to the City of Warrenton for the purpose**  
16 **of financing the rebuilding of a dock destroyed by fire in Warrenton,**  
17 **Oregon.**

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

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

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

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

26 **“SECTION 6. (1) For the biennium beginning July 1, 2015, at the**  
27 **request of the Oregon Department of Administrative Services, after**  
28 **the department consults with the Department of Transportation and**  
29 **Harney County, the State Treasurer is authorized to issue lottery**  
30 **bonds pursuant to ORS 286A.560 to 286A.585 in an amount that**

1 produces \$2,000,000 in net proceeds and interest earnings for the pur-  
2 pose described in subsection (2) of this section, plus an additional  
3 amount estimated by the State Treasurer to be necessary to pay  
4 bond-related costs.

5 “(2) Net proceeds of lottery bonds issued under this section in an  
6 amount sufficient to provide \$2,000,000 in net proceeds and interest  
7 earnings must be transferred to the Department of Transportation for  
8 deposit in the DOT Economic Development Distributions Fund estab-  
9 lished in ORS 461.557 for distribution to Harney County for the purpose  
10 of improving Juntura Road in Harney and Malheur Counties.

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

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

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

19 “SECTION 7. (1) For the biennium beginning July 1, 2015, at the  
20 request of the Oregon Department of Administrative Services, after  
21 the department consults with the Oregon Business Development De-  
22 partment, the State Treasurer is authorized to issue lottery bonds  
23 pursuant to ORS 286A.560 to 286A.585 in an amount that produces  
24 \$2,500,000 in net proceeds and interest earnings for the purpose de-  
25 scribed in subsection (2) of this section, plus an additional amount  
26 estimated by the State Treasurer to be necessary to pay bond-related  
27 costs.

28 “(2) Net proceeds of lottery bonds issued under this section in an  
29 amount sufficient to provide \$2,500,000 in net proceeds and interest  
30 earnings must be transferred to the Oregon Business Development



1 Department for deposit in the American Manufacturing Innovation  
2 District Fund established in section 7a of this 2016 Act for support of  
3 the American Manufacturing Innovation District project.

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

9 “SECTION 7a. (1) The American Manufacturing Innovation District  
10 Fund is established in the State Treasury, separate and distinct from  
11 the General Fund. Interest earned on moneys in the American Manu-  
12 facturing Innovation District Fund shall be credited to the fund. The  
13 fund consists of moneys deposited in the fund under section 7 of this  
14 2016 Act and may include fees, revenues or other income deposited into  
15 the fund by the Legislative Assembly.

16 “(2) Moneys in the American Manufacturing Innovation District  
17 Fund are continuously appropriated to the Oregon Business Develop-  
18 ment Department for the purpose described in section 7 of this 2016  
19 Act.

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

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

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

29 “286A.830. As used in ORS 286A.830 to 286A.863:

30 “(1) ‘Article XI-F(1) bonds’ means bonds issued under the authority of

1 Article XI-F(1) of the Oregon Constitution for the benefit of a public uni-  
2 versity.

3 “(2) ‘Article XI-G bonds’ means bonds issued under the authority of Arti-  
4 cle XI-G of the Oregon Constitution for the benefit of a public university.

5 “(3) ‘Bond-related costs’ means:

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

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

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

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

13 “(C) Fees, administrative costs and expenses of the State Treasurer, the  
14 Oregon Department of Administrative Services or the Higher Education Co-  
15 ordinating Commission, including the costs of consultants or advisers re-  
16 tained by the State Treasurer, the department or the commission;

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

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

19 “(e) Rebates or penalties due to the United States in connection with the  
20 higher education bonds;

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

24 “(g) Any other costs or expenses that the State Treasurer, the department  
25 or the commission determines are necessary or desirable in connection with  
26 issuing and maintaining the higher education bonds.

27 “(4) ‘Federal tax benefit’ means the excludability of interest on higher  
28 education bonds from gross income under the Internal Revenue Code, the  
29 qualification of higher education bonds for any federal interest subsidy pay-  
30 ment or any other tax-advantaged status granted under the Internal Revenue

1 Code.

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

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

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

12 “(8) ‘Loan repayment schedule’ means the schedule of repayment of loans  
13 made with proceeds of Article XI-F(1) bonds that a public university is obli-  
14 gated to make to the State of Oregon pursuant to a loan agreement.

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

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

22 “(11) **‘Refunding bond’ means an Article XI-F(1) bond issued for the**  
23 **purpose of refunding an outstanding Article XI-F(1) bond, or an Arti-**  
24 **cle XI-G bond issued for the purpose of refunding an outstanding Ar-**  
25 **ticle XI-G bond, regardless of whether the refunding is on a current,**  
26 **advance, forward delivery, synthetic or other basis.**

27 “[~~(11)~~] (12) ‘Revenue sufficiency’ means the condition of having revenues,  
28 not including amounts appropriated by the Legislative Assembly from the  
29 General Fund, that are conservatively estimated to be lawfully available and  
30 sufficient to pay debt service on particular Article XI-F(1) bonds and operate

1 the projects financed with the proceeds of those Article XI-F(1) bonds.

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

3 “286A.836. Prior to the sale of any Article XI-F(1) bonds, **except for re-**  
4 **funding bonds**, a public university and the Higher Education Coordinating  
5 Commission shall enter into a loan agreement that includes:

6 “(1) A representation by the public university that it has revenue suffi-  
7 ciency for the Article XI-F(1) bonds;

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

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

16 “(4) Terms and conditions indemnifying the State of Oregon against reg-  
17 ulatory or bondholder liability due to the action or inaction of the public  
18 university related to the Article XI-F(1) bonds.

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

20 “286A.851. Prior to the sale of any Article XI-G bonds, **except for re-**  
21 **funding bonds**, a public university and the Higher Education Coordinating  
22 Commission shall enter into a grant contract that includes:

23 “(1) A certification that the requirement for a matching amount is satis-  
24 fied;

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

29 “(3) Terms and conditions indemnifying the State of Oregon against reg-  
30 ulatory or bondholder liability due to the action or inaction of the public

1 university related to the Article XI-G bonds.

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

4 **“Sec. 11.** Notwithstanding any other law limiting expenditures, the fol-  
5 lowing amounts are established for a six-year period beginning July 1, 2011,  
6 as the maximum limit for payment of expenses under this section from lot-  
7 tery bond proceeds collected or received by the Department of Community  
8 Colleges and Workforce Development pursuant to section 2, chapter 78,  
9 Oregon Laws 2012 (Enrolled House Bill 5201), for community college districts  
10 for capital construction, deferred maintenance, capital renewal, code com-  
11 pliance and safety projects:

12 “ \_\_\_\_\_

13 Lottery Bonds

- 14 (1) Blue Mountain Community College
- 15 *[Veterinary Assistant]*
- 16 *[Certificate Program]*
- 17 **Animal Science Education Center.** \$ 465,037
- 18 (2) Central Oregon Community College
- 19 Math and Science Laboratories,
- 20 Redmond Campus ..... \$ 500,000
- 21 (3) Chemeketa Community College
- 22 CTE/STEM Facilities Improvement
- 23 Project ..... \$ 1,000,000
- 24 (4) Clackamas Community College
- 25 Industrial Technology and Science
- 26 Workforce Advancement ..... \$ 800,000
- 27 (5) Clatsop Community College
- 28 Welding and Fabrication
- 29 Program ..... \$ 281,785
- 30 (6) Columbia Gorge Community College

1 CGCC Rural Clinical Simulation  
 2 Center Essential Capital  
 3 Equipment Replacement ..... \$ 297,193  
 4 (7) Klamath Community College  
 5 Culinary Arts, AAS; Foodservice  
 6 Systems; Administration and  
 7 Management ..... \$ 300,000  
 8 (8) Lane Community College  
 9 Science, Technology, Engineering  
 10 and Math Classrooms and Labs ..... \$ 1,000,000  
 11 (9) Linn-Benton Community College  
 12 Advanced Transportation  
 13 Technology Center..... \$ 800,000  
 14 (10) Mt. Hood Community College  
 15 Lab and Classroom Additions  
 16 and Upgrades ..... \$ 800,000  
 17 (11) Oregon Coast Community College  
 18 Renovations to Allied Health  
 19 Training Center and Science  
 20 Laboratory ..... \$ 273,235  
 21 (12) Portland Community College  
 22 Trades Training Center ..... \$ 1,000,000  
 23 (13) Rogue Community College  
 24 Manufacturing and  
 25 Fabrication Flex Lab ..... \$ 500,000  
 26 (14) Southwestern Oregon Community College  
 27 Renovate Labs and Classrooms  
 28 for STEM and CTE Support..... \$ 387,200  
 29 (15) Tillamook Bay Community College  
 30 Ag and Natural Resources

1	Learning Lab.....	\$ 300,000
2	(16) Treasure Valley Community College	
3	Science and Technology	
4	Classrooms and Labs and	
5	Agriculture Livestock Center	
6	Classroom and Lab.....	\$ 500,000
7	(17) Umpqua Community College	
8	Douglas County CTE/STEM	
9	Centers .....	\$ 400,000

10 “

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

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

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

28 “(2) The one or more grant agreements must, subject to subsection (3) of  
29 this section, establish appropriate triggers for the incremental biennial dis-  
30 tribution of bond proceeds described in section 13 (2), chapter 746, Oregon

1 Laws 2007, based on appropriate measures of progress in completion of the  
2 project that are satisfactory to the director and consistent with prudent fi-  
3 nancial practices that reflect sound stewardship of public resources.

4 “(3)(a) Prior to the distribution of the bond proceeds described in section  
5 13 (2)(b), chapter 746, Oregon Laws 2007, the primary sponsor shall provide  
6 to the director a budget document outlining expenditures for the Coos Bay  
7 Channel Project and shall[:]

8 “[A)] Verify and certify to the director that the primary sponsor has  
9 prepared and submitted to the United States Army Corps of Engineers the  
10 tentatively selected plan report identifying the preferred alternative for the  
11 project.

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

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

16 “[ii) *The Oregon International Port of Coos Bay has prepared and sub-*  
17 *mitted to the United States Army Corps of Engineers a draft combined report*  
18 *pursuant to section 204 of the Water Resources Development Act of 1986 (P.L.*  
19 *99-662) and section 14 of the Rivers and Harbors Appropriation Act of 1899 (33*  
20 *U.S.C. 408) for technical agency review.]*

21 “(b) Prior to the distribution of the bond proceeds described in section  
22 13 (2)(c), chapter 746, Oregon Laws 2007, the primary sponsor shall provide  
23 to the director a budget document outlining expenditures for the Coos Bay  
24 Channel Project and verify and certify to the director that:

25 **“(A) The final environmental impact statement and the draft record**  
26 **of decision have been issued in accordance with the National Envi-**  
27 **ronmental Policy Act (42 U.S.C. 4321 et seq.);**

28 **“(B) The Oregon International Port of Coos Bay has prepared and**  
29 **submitted to the United States Army Corps of Engineers a draft com-**  
30 **combined report pursuant to section 204 of the Water Resources Develop-**



1 **ment Act of 1986 (P.L. 99-662) and section 14 of the Rivers and Harbors**  
2 **Appropriation Act of 1899 (33 U.S.C. 408) for technical agency review;**

3 “[A] (C) The Director of Civil Works for the United States Army Corps  
4 of Engineers has approved the project pursuant to section 14 of the Rivers  
5 and Harbors Appropriation Act of 1899;

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

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

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

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

23 “(6) The director and the primary sponsor shall modify the existing grant  
24 agreement as may be necessary to incorporate the amendments to this sec-  
25 tion and section 13, chapter 746, Oregon Laws 2007, by sections 1 and 2,  
26 chapter 754, Oregon Laws 2013.

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

30