

## HOUSE AMENDMENTS TO HOUSE BILL 5020

By JOINT COMMITTEE ON WAYS AND MEANS

March 7

1 In line 2 of the printed bill, after the semicolon insert “creating new provisions; amending ORS  
2 286A.712, 286A.762, 286A.782, 286A.798, 286A.802, 286A.804, 286A.830, 286A.848, 286A.851, 286A.863,  
3 291.445, 341.721, 341.725 and 341.728 and section 5, chapter 786, Oregon Laws 2013, section 1,  
4 chapter 685, Oregon Laws 2015, and section 26, chapter 812, Oregon Laws 2015; repealing ORS  
5 341.731, 341.735, 341.751, 341.753, 341.755, 341.757, 341.759, 341.762, 341.764, 341.766, 341.768, 341.771,  
6 341.773, 341.775, 341.777, 341.779, 341.782, 341.784 and 341.787.”

7 Delete lines 4 through 15 and insert:

8 “**SECTION 1.** Section 1, chapter 685, Oregon Laws 2015, as amended by section 1, chapter 66,  
9 Oregon Laws 2016, is amended to read:

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

12  
13 **GENERAL OBLIGATION BONDS**

14 General Fund Obligations

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

1		<i>and Technology]</i>	
2		<b>Cornett Hall Renovation</b> .....	\$ 785,000
3	(e)	Blue Mountain Community	
4		College, Animal Science	
5		Education Center .....	\$ 3,331,350
6	(f)	Columbia Gorge Community	
7		College, Middle College	
8		Prototype Facility .....	\$ 7,320,000
9	(g)	Klamath Community College,	
10		Student Success and	
11		Career/Technical Center .....	\$ 7,850,000
12	(h)	Mt. Hood Community	
13		College, Technology	
14		Innovation Center .....	\$ 8,000,000
15	(i)	Portland Community	
16		College, American	
17		Manufacturing Innovation	
18		District Building.....	\$ 5,070,000
19	(j)	Rogue Community College,	
20		Health and Science Center.....	\$ 8,000,000
21	(k)	Southwestern Oregon	
22		Community College, Health	
23		and Science Building.....	\$ 8,000,000
24	(L)	Treasure Valley Community	
25		College, Workforce Vocational	
26		Center .....	\$ 2,830,250
27	(m)	Umpqua Community College,	
28		Industrial Arts Center .....	\$ 8,000,000
29	(3)	Oregon Business Development	
30		Department (Art. XI-M) .....	\$ 176,870,000
31	(4)	Oregon Business Development	
32		Department (Art. XI-N).....	\$ 30,440,000
33	(5)	Department of	
34		Education (Art. XI-P) .....	\$ 126,210,000
35	(6)	Oregon Department of	
36		Administrative	
37		Services (Art. XI-Q) .....	\$ 450,735,000
38	(7)	Department of	
39		Transportation (Art. XI,	
40		section 7).....	\$ 35,475,000
41		<u>Dedicated Fund Obligations</u>	
42	(8)	Department of Veterans'	
43		Affairs (Art. XI-A).....	\$ 100,000,000
44	(9)	Higher Education Coordinating	
45		Commission (Art. XI-F(1)):	

1	(a) Portland State University:		
2	(A) Land Acquisition for University		
3	Center Building .....	\$	10,220,000
4	(B) Broadway Housing Purchase.....	\$	48,580,000
5	(C) Corbett Building Purchase.....	\$	5,100,000
6	(b) Oregon State University		
7	Modular Data Center .....	\$	7,085,000
8	(c) Southern Oregon University:		
9	(A) Jefferson Public Radio		
10	Addition.....	\$	1,545,000
11	(B) Science Building Deferred		
12	Maintenance .....	\$	1,695,000
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> .....	\$	1,435,361,600

24 “**SECTION 2.** Section 26, chapter 812, Oregon Laws 2015, is amended to read:

25 “**Sec. 26.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon Department  
26 of Administrative Services, after the department consults with the Oregon Business Development  
27 Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to  
28 286A.585 in an amount that produces \$4.5 million in net proceeds and interest earnings for transfer  
29 to the Oregon Business Development Department for deposit in the Cultural Resources Economic  
30 Fund, established in section 6, chapter 786, Oregon Laws 2013, to provide grants described in sub-  
31 section (2) of this section, plus an additional amount estimated by the State Treasurer to be neces-  
32 sary to pay bond-related costs.

33 “(2) The Oregon Business Development Department shall grant:

34 “(a) \$2 million to the Oregon Shakespeare Festival to finance capital projects.

35 “(b) [*\$1.5 million*] **\$509,256** to the Portland Japanese Garden to expand visitor and educational  
36 facilities at the garden.

37 “(c) \$600,000 to Oregon Public Broadcasting to finance renovation of its headquarters and pro-  
38 duction facility.

39 “(d) \$400,000 to the Aurora Colony Historical Society to finance construction of a storage fa-  
40 cility for historical artifacts.

41 “(e) **\$990,744 to the Confluence Project to finance a portion of the costs incurred for the**  
42 **Confluence Project at the Celilo Park site.**

43 “(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, fur-  
44 ther economic development, finance public education or restore and protect parks, beaches,  
45 watersheds and native fish and wildlife, and is authorized based on the following findings:

1 “(a) The grants described in this section will leverage art and cultural resources to create vi-  
2 brant public spaces that integrate art and cultural and natural amenities, sustain Oregon’s rich arts  
3 and cultural experiences and enhance a strong sense of place and community identity.

4 “(b) The factors described in paragraph (a) of this subsection have the effect of creating jobs,  
5 expanding business and tax revenues and enhancing the economic vitality of Oregon communities.

6 “**SECTION 3.** Section 5, chapter 786, Oregon Laws 2013, is amended to read:

7 “**Sec. 5.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department  
8 of Administrative Services, after the department consults with the Oregon Business Development  
9 Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to  
10 286A.585 in an amount that produces \$1.75 million in net proceeds and interest earnings for transfer  
11 to the Oregon Business Development Department for deposit in the Cultural Resources Economic  
12 Fund, established in section 6, **chapter 786, Oregon Laws 2013** [*of this 2013 Act*], to provide grants  
13 described in subsection (2) of this section, plus an additional amount estimated by the State Treas-  
14 urer to be necessary to pay bond-related costs.

15 “(2) The Oregon Business Development Department shall grant:

16 “(a) [*\$1.5 million*] **\$509,256** to the Confluence Project to finance a portion of the costs incurred  
17 for the Confluence Project at the Celilo Park site.

18 “(b) \$250,000 to the High Desert Museum to finance programs or projects at the High Desert  
19 Museum.

20 “(c) **\$990,744 to the Portland Japanese Garden to expand visitor and educational facilities**  
21 **at the garden.**

22 “(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, fur-  
23 ther economic development, finance public education or restore and protect parks, beaches,  
24 watersheds and native fish and wildlife, and is authorized based on the following findings:

25 “(a) Leveraging art and cultural resources to create vibrant public spaces that integrate art and  
26 cultural and natural amenities, to sustain Oregon’s rich arts and cultural experiences and to en-  
27 hance a strong sense of place and community identity.

28 “(b) The factors described in paragraph (a) of this subsection have the effect of creating jobs,  
29 expanding business and tax revenues and enhancing the economic vitality of Oregon communities.

30 “**SECTION 4.** Section 5 of this 2017 Act is added to and made a part of ORS chapter 286A.

31 “**SECTION 5.** (1) **The Oregon Department of Administrative Services may, with respect**  
32 **to bonds described in subsection (2) of this section, administer bond programs and the**  
33 **transfer or disbursement of bond proceeds through intergovernmental agreements or grant**  
34 **or loan agreements containing terms and conditions the department determines are neces-**  
35 **sary or advisable to:**

36 “(a) **Protect any tax benefit related to the bonds;**

37 “(b) **Protect the State of Oregon from liability due to the failure of grantees or borrowers**  
38 **to comply with legal requirements related to the bonds, including requirements under the**  
39 **Internal Revenue Code;**

40 “(c) **Ensure that bond proceeds are used for authorized or intended purposes;**

41 “(d) **Ensure that adequate funds will be available for repayment of the bonds; or**

42 “(e) **Ensure compliance with state and federal law.**

43 “(2) **The department may exercise powers authorized under subsection (1) of this section**  
44 **with respect to:**

45 “(a) **Bonds issued under ORS 286A.560 to 286A.585 (lottery bonds);**

1       “(b) Bonds issued under ORS 286A.710 to 286A.720 and Article XI-D of the Oregon Con-  
2       stitution (state power development);

3       “(c) Bonds issued under ORS 286A.760 to 286A.772 and Article XI-M of the Oregon Con-  
4       stitution (seismic rehabilitation of public education buildings);

5       “(d) Bonds issued under ORS 286A.780 to 286A.792 and Article XI-N of the Oregon Con-  
6       stitution (seismic rehabilitation of emergency services buildings);

7       “(e) Bonds issued under ORS 286A.796 to 286A.806 and Article XI-P of the Oregon Con-  
8       stitution (school district capital costs);

9       “(f) Bonds issued under ORS 286A.816 to 286A.826 and Article XI-Q of the Oregon Con-  
10      stitution (property owned or operated by state); and

11      “(g) Bonds issued under ORS 286A.830 to 286A.863 and Article XI-F(1) or Article XI-G of  
12      the Oregon Constitution (higher education).

13      “**SECTION 6.** ORS 286A.802 is amended to read:

14      “286A.802. (1) The Article XI-P Bond Fund is established in the State Treasury, separate and  
15      distinct from the General Fund. Amounts in the Article XI-P Bond Fund may be invested as pro-  
16      vided in ORS 293.701 to 293.857, and interest earned on the bond fund must be credited to the bond  
17      fund. Amounts credited to the bond fund are continuously appropriated to the [*Department of Edu-  
18      cation*] **Oregon Department of Administrative Services** for the purpose of paying, when due, the  
19      principal of, the interest on and the premium, if any, on outstanding Article XI-P bonds. The de-  
20      partment shall deposit in the bond fund:

21      “(a) Capitalized or accrued interest on Article XI-P bonds;

22      “(b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit in the  
23      bond fund;

24      “(c) Reserves established for the payment of Article XI-P bonds; and

25      “(d) Amounts transferred from the School Capital Matching Fund established under ORS  
26      286A.806 as described in section 4, Article XI-P of the Oregon Constitution.

27      “(2) At the request of the department, the State Treasurer may create separate accounts in the  
28      bond fund for reserves and debt service for each series of Article XI-P bonds as provided in ORS  
29      286A.025 (2)(g).

30      “**SECTION 7.** ORS 286A.804 is amended to read:

31      “286A.804. (1) The Article XI-P Bond Administration Fund is established in the State Treasury,  
32      separate and distinct from the General Fund. Amounts in the Article XI-P Bond Administration Fund  
33      may be invested as provided in ORS 293.701 to 293.857, and interest earned on the bond adminis-  
34      tration fund must be credited to the bond administration fund. Amounts credited to the bond ad-  
35      ministration fund are continuously appropriated to the [*Department of Education*] **Oregon  
36      Department of Administrative Services** for payment of bond-related costs. The department shall  
37      credit to the bond administration fund:

38      “(a) Proceeds of Article XI-P bonds that were issued to pay bond-related costs;

39      “(b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit in the  
40      bond administration fund; and

41      “(c) Amounts transferred from the School Capital Matching Fund established under ORS  
42      286A.806 as described in section 4, Article XI-P of the Oregon Constitution.

43      “(2) At the request of the department, the State Treasurer may create separate accounts in the  
44      bond administration fund as provided in ORS 286A.025 (2)(g).

45      “**SECTION 8.** ORS 286A.796 to 286A.806 are added to and made a part of ORS chapter

1 **286A.**

2 **“SECTION 9.** ORS 286A.830, as amended by section 9, chapter 66, Oregon Laws 2016, is  
3 amended to read:

4 “286A.830. As used in ORS 286A.830 to 286A.863:

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

7 “(2) ‘Article XI-G bonds’ means bonds issued under the authority of Article XI-G of the Oregon  
8 Constitution for the benefit of a public university **or a community college.**

9 “(3) ‘Bond-related costs’ means:

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

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

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

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

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

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

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

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

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

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

30 **“(4) ‘Community college’ means a community college or community college district as  
31 defined in ORS 341.005.**

32 “[4] (5) ‘Federal tax benefit’ means the excludability of interest on higher education bonds from  
33 gross income under the Internal Revenue Code, the qualification of higher education bonds for any  
34 federal interest subsidy payment or any other tax-advantaged status granted under the Internal Re-  
35 venue Code.

36 “[5] (6) ‘Grant contract’ means a contract approved by the department and executed by a  
37 public university **or community college** and the commission that establishes the terms and condi-  
38 tions for issuance of Article XI-G bonds and the disbursement of proceeds to the public university  
39 **or community college.**

40 “[6] (7) ‘Higher education bonds’ means Article XI-F(1) bonds and Article XI-G bonds.

41 **“(8) ‘Higher Education Coordinating Commission’ includes all offices that function under  
42 the direction and control of the commission.**

43 “[7] (9) ‘Loan agreement’ means a contract approved by the department and executed by a  
44 public university and the commission that establishes the terms and conditions for issuance of Ar-  
45 ticle XI-F(1) bonds, lending of bond proceeds and loan repayment.

1 “[(8)] (10) ‘Loan repayment schedule’ means the schedule of repayment of loans made with pro-  
2 ceeds of Article XI-F(1) bonds that a public university is obligated to make to the State of Oregon  
3 pursuant to a loan agreement.

4 “[(9)] (11) ‘Matching amount’ means moneys unconditionally available to a public university **or**  
5 **community college** for the same or similar purposes as the proceeds of Article XI-G bonds issued  
6 for the benefit of the public university **or community college** and meeting the requirements set  
7 forth in Article XI-G, section 1 (3), of the Oregon Constitution.

8 “[(10)] (12) ‘Public university’ means any institution established as a public university under  
9 ORS 352.002.

10 “[(11)] (13) ‘Refunding bond’ means an Article XI-F(1) bond issued for the purpose of refunding  
11 an outstanding Article XI-F(1) bond, or an Article XI-G bond issued for the purpose of refunding an  
12 outstanding Article XI-G bond, regardless of whether the refunding is on a current, advance, forward  
13 delivery, synthetic or other basis.

14 “[(12)] (14) ‘Revenue sufficiency’ means the condition of having revenues, not including amounts  
15 appropriated by the Legislative Assembly from the General Fund, that are conservatively estimated  
16 to be lawfully available and sufficient to pay debt service on particular Article XI-F(1) bonds and  
17 operate the projects financed with the proceeds of those Article XI-F(1) bonds.

18 “**SECTION 10.** ORS 286A.848 is amended to read:

19 “286A.848. (1) In accordance with the applicable provisions of this chapter, the State Treasurer,  
20 with the concurrence of the [*Director of the Oregon Department of Administrative Services*] **Higher**  
21 **Education Coordinating Commission**, may issue Article XI-G bonds **for the benefit of a public**  
22 **university or a community college** if:

23 “(a) The [*Higher Education Coordinating Commission*] **Director of the Oregon Department of**  
24 **Administrative Services** requests that bonds be issued for the purposes specified in Article XI-G  
25 of the Oregon Constitution, plus an amount determined by the State Treasurer to pay estimated  
26 bond-related costs;

27 “(b) The issuance does not exceed the budget authorization for bond issuance established under  
28 ORS 286A.035; and

29 “(c) A grant contract is executed under ORS 286A.851 prior to sale of the bonds.

30 “(2) The State Treasurer may issue Article XI-G bonds for the purpose of refunding Article XI-G  
31 bonds without a request from the [*commission*] **director** when the State Treasurer determines it is  
32 in the best interests of the State of Oregon to refund Article XI-G bonds.

33 “(3) The State Treasurer shall deposit the net proceeds of Article XI-G bonds in one or more  
34 project funds established in the State Treasury or with a third party under contract with the  
35 [*Oregon Department of Administrative Services*] **Oregon Department of Administrative Services**  
36 and approved by the State Treasurer. Net proceeds of Article XI-G bonds must be expended for the  
37 purposes described in the commission’s budget authorization.

38 “(4) If at any time the department and the commission jointly determine that the net proceeds  
39 of Article XI-G bonds deposited in a project fund pursuant to subsection (3) of this section exceed  
40 the cost of the project described in the commission’s budget authorization, the department may al-  
41 locate and transfer the excess amount as determined by the department to other project funds, the  
42 Article XI-G Bond Fund established under ORS 286A.854 or the Article XI-G Bond Administration  
43 Fund established under ORS 286A.857.

44 “(5) Article XI-G bonds are direct general obligations of the State of Oregon and must contain  
45 a direct promise on behalf of the State of Oregon to pay the principal of, the interest on and the

1 premium, if any, on the Article XI-G bonds. The State of Oregon shall pledge its full faith and credit  
2 and taxing power to the payment of the principal of, the interest on and the premium, if any, on  
3 Article XI-G bonds, and the ad valorem taxing power of the State of Oregon may be pledged to pay  
4 Article XI-G bonds.

5 **“SECTION 11.** ORS 286A.851, as amended by section 11, chapter 66, Oregon Laws 2016, is  
6 amended to read:

7 “286A.851. (1) Prior to the sale of any Article XI-G bonds, except for refunding bonds, a public  
8 university **or a community college** and the Higher Education Coordinating Commission *[shall]*  
9 **must** enter into a grant contract *[that includes:]*.

10 **“(2) The grant contract must include:**

11 “[1] (a) A certification that the requirement for a matching amount is satisfied;

12 “[2] (b) Terms and conditions obligating the public university **or community college** to  
13 maintain any federal tax benefit related to the Article XI-G bonds and to execute and deliver any  
14 required tax certificates or agreements in connection with any federal tax benefit related to the  
15 Article XI-G bonds; and

16 “[3] (c) Terms and conditions indemnifying the State of Oregon against regulatory or  
17 bondholder liability due to the action or inaction of the public university **or community college**  
18 related to the Article XI-G bonds.

19 **“(3) The grant contract may include:**

20 **“(a) Reporting and accounting requirements or other conditions necessary or advisable**  
21 **to ensure that moneys are expended for intended purposes;**

22 **“(b) Terms and conditions that are necessary or advisable to ensure compliance with**  
23 **applicable laws or regulations; and**

24 **“(c) Provisions for the payment of fees by a community college to cover costs of the**  
25 **commission relating to the execution of the commission’s responsibilities under the grant**  
26 **contract.**

27 **“SECTION 12.** ORS 286A.863 is amended to read:

28 “286A.863. (1) The Oregon Department of Administrative Services may, in consultation with the  
29 Higher Education Coordinating Commission, adopt rules for the purpose of carrying out ORS  
30 286A.830 to 286A.860 including, but not limited to, establishing:

31 “(a) Fees and costs to be paid by public universities **or community colleges** for administration  
32 of higher education bonds, including reasonable fees and expenses of the State Treasurer as provided  
33 in ORS 286A.014;

34 “(b) The form, content and timing of information to be submitted by public universities **and**  
35 **community colleges** to be used by the commission and the State Treasurer to evaluate revenue  
36 sufficiency for Article XI-F(1) bonds and availability and sufficiency of matching amounts for Article  
37 XI-G bonds; and

38 “(c) Standards, terms and conditions for maintaining federal tax benefits related to higher edu-  
39 cation bonds.

40 “(2) The department or the commission, or both, may periodically bill a public university **or**  
41 **community college**, without duplicating costs billed by contract, for the public university’s **or**  
42 **community college’s** proportional share of costs incurred by the department, or the commission,  
43 in connection with higher education bonds, including, but not limited to:

44 “(a) Bond-related costs of higher education bonds issued or proposed to be issued to finance or  
45 refinance projects of the public university **or community college**; and



1 “(b) Costs of legal or financial consultants or advisors, including, without limitation, bond  
2 counsel to the State of Oregon, for services that are provided at the request of a public university  
3 **or community college** in connection with higher education bonds that are issued or proposed to  
4 be issued.

5 “(3) The department and the commission may each bill at such intervals as may be established  
6 in the department’s or commission’s own procedures and shall deposit the moneys [*paid by the public*  
7 *university*] **received** in the applicable bond fund, bond administration fund or other fund relating to  
8 higher education bonds, as the department or commission determines is appropriate. A public uni-  
9 versity **or community college** that receives a bill for bond-related costs shall pay the amount billed  
10 by the time and in the manner designated in the billing statement.

11 “(4)(a) The department may enter into agreements with Oregon Health and Science University  
12 to:

13 “(A) Receive payments from Oregon Health and Science University of amounts used to pay debt  
14 service on bonds issued by the State Treasurer to finance joint projects of Oregon Health and Sci-  
15 ence University and one or more public universities; or

16 “(B) Administer tax compliance obligations of Oregon Health and Science University [*pursuant*  
17 *to agreements between Oregon Health and Science University and the Oregon University System*].

18 “(b) Solely for the purposes of receiving payments of amounts used to pay debt service and ad-  
19 ministering tax compliance obligations related to the bonds, the department may be a successor to,  
20 or an assignee of, the Oregon University System under agreements between Oregon Health and  
21 Science University and the Oregon University System.

22 “(c) The department may not assume any obligations or liability as the successor to, or assignee  
23 of, the Oregon University System under any agreements between Oregon Health and Science Uni-  
24 versity and the Oregon University System, except for obligations or liability relating to the receipt  
25 of amounts used to pay debt service and the administration of tax compliance obligations.

26 “**SECTION 13.** ORS 341.721 is amended to read:

27 “341.721. [(1)] To provide funds to community college districts for the purposes specified in Ar-  
28 ticle XI-G of the Oregon Constitution, the State Treasurer may issue bonds **under ORS 286A.848.**  
29 [*at the request of the Higher Education Coordinating Commission in accordance with the provisions*  
30 *of ORS chapter 286A.*]

31 “[2) *The State Treasurer may not issue bonds pursuant to Article XI-G of the Oregon Constitution*  
32 *under subsection (1) of this section for a community college project unless a grant agreement has been*  
33 *entered into pursuant to ORS 341.735 between the Office of Community Colleges and Workforce De-*  
34 *velopment and the community college district that is receiving the bond proceeds.*]

35 “**SECTION 14.** ORS 341.725 is amended to read:

36 “341.725. (1) The Community College Capital Construction Fund is established in the State  
37 Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Community  
38 College Capital Construction Fund shall be credited to the fund.

39 “(2) Moneys in the Community College Capital Construction Fund are continuously appropriated  
40 to the Higher Education Coordinating Commission and may be distributed by the commission for the  
41 purposes described in Article XI-G, section 1 (2), of the Oregon Constitution, pursuant to grant  
42 [*agreements*] **contracts** entered into between the [*Office of Community Colleges and Workforce De-*  
43 *velopment and community college districts under ORS 341.735.*] **commission and community col-**  
44 **leges under ORS 286A.851.**

45 “**SECTION 15.** ORS 341.728 is amended to read:

1 “341.728. (1) The Community College Bond Building Fund is established in the State Treasury,  
2 separate and distinct from the General Fund.

3 “(2) The Community College Bond Building Fund shall consist of moneys realized from the sale  
4 of bonds issued pursuant to Article XI-G of the Oregon Constitution **and ORS 286A.848** for the  
5 benefit of community [college] **colleges**. [districts under ORS 341.721.]

6 “(3) Moneys in the Community College Bond Building Fund are continuously appropriated to the  
7 Higher Education Coordinating Commission and may be distributed by the commission [for the pur-  
8 poses described in Article XI-G, section 1 (2), of the Oregon Constitution, including payment of costs  
9 related to issuing bonds and payment of debt service on bonds,] pursuant to grant [agreements] **con-**  
10 **tracts** entered into between the [Office of Community Colleges and Workforce Development and  
11 community college districts under ORS 341.735.] **commission and community colleges under ORS**  
12 **286A.851.**

13 “(4) Moneys in the Community College Bond Building Fund may be invested as provided in ORS  
14 286A.025 until needed for distribution under subsection (3) of this section. If a surplus remains in  
15 the fund after disbursement, the surplus and earnings from temporary investments shall be credited  
16 to the [Community College Bond Sinking Fund.] **Article XI-G Bond Fund established under ORS**  
17 **286A.854.**

18 “**SECTION 16. ORS 341.731 and 341.735 are repealed.**

19 “**SECTION 17. ORS 341.751, 341.753, 341.755, 341.757, 341.759, 341.762, 341.764, 341.766,**  
20 **341.768, 341.771, 341.773, 341.775, 341.777, 341.779, 341.782, 341.784 and 341.787 are repealed.**

21 “**SECTION 18.** ORS 286A.712 is amended to read:

22 “286A.712. (1) Article XI-D bonds are a general obligation of the State of Oregon and must  
23 contain a direct promise on behalf of the State of Oregon to pay the principal of, the interest on  
24 and the premium, if any, on the Article XI-D bonds. The State of Oregon shall pledge its full faith  
25 and credit and taxing power to pay Article XI-D bonds, except that the ad valorem taxing power  
26 of the State of Oregon may not be pledged to pay Article XI-D bonds.

27 “(2) In accordance with the applicable provisions of this chapter, the State Treasurer, with the  
28 concurrence of the [Director of the Oregon Department of Administrative Services] **Director of the**  
29 **State Department of Energy**, may issue Article XI-D bonds:

30 “(a) At the request of the [Director of the State Department of Energy] **Director of the Oregon**  
31 **Department of Administrative Services** for any of the purposes specified in Article XI-D of the  
32 Oregon Constitution, plus an amount determined by the State Treasurer to pay estimated bond-  
33 related costs; and

34 “(b) Subject to the limit on bond issuance established for the particular biennium in ORS  
35 286A.035.

36 “(3) The State Treasurer may issue Article XI-D bonds for the purpose of financing the refund  
37 of Article XI-D bonds.

38 “(4) The State Treasurer shall transfer the net proceeds of Article XI-D bonds issued for the  
39 purpose described in subsection (2)(a) of this section to the State Department of Energy for deposit  
40 in the Renewable Energy Fund established under ORS 286A.718.

41 “**SECTION 19.** ORS 286A.762 is amended to read:

42 “286A.762. (1) Article XI-M bonds are a general obligation of the State of Oregon and must  
43 contain a direct promise on behalf of the State of Oregon to pay the principal of, the interest on  
44 and the premium, if any, on the Article XI-M bonds. The State of Oregon shall pledge its full faith  
45 and credit and taxing power to pay Article XI-M bonds, except that the ad valorem taxing power

1 of the State of Oregon may not be pledged to pay Article XI-M bonds.

2 “(2) The State Treasurer, with the concurrence of the [*Director of the Oregon Department of*  
3 *Administrative Services*] **Director of the Oregon Business Development Department**, may issue  
4 Article XI-M bonds as provided in this chapter, subject to the limit on bond issuance established for  
5 the particular biennium pursuant to ORS 286A.035 and at the request of the [*Director of the Oregon*  
6 *Business Development Department*] **Director of the Oregon Department of Administrative Ser-**  
7 **vices**, for the purpose of financing all or a portion of the state share of costs to plan and implement  
8 seismic rehabilitation of public education buildings in the amount of the state share of costs, plus  
9 an amount determined by the State Treasurer to pay estimated bond-related costs.

10 “(3) The State Treasurer shall transfer the net proceeds of Article XI-M bonds issued for the  
11 purpose described in subsection (2)(a) of this section to the Oregon Business Development Depart-  
12 ment for deposit in the Education Seismic Fund established under ORS 286A.768.

13 “**SECTION 20.** ORS 286A.782 is amended to read:

14 “286A.782. (1) Article XI-N bonds are a general obligation of the State of Oregon and must  
15 contain a direct promise on behalf of the State of Oregon to pay the principal of, the interest on  
16 and the premium, if any, on the Article XI-N bonds. The State of Oregon shall pledge its full faith  
17 and credit and taxing power to pay Article XI-N bonds, except that the ad valorem taxing power  
18 of the State of Oregon may not be pledged to pay Article XI-N bonds.

19 “(2) The State Treasurer, with the concurrence of the [*Director of the Oregon Department of*  
20 *Administrative Services*] **Director of the Oregon Business Development Department**, may issue  
21 Article XI-N bonds as provided in this chapter, subject to the limit on bond issuance established for  
22 the particular biennium pursuant to ORS 286A.035 and at the request of the [*Director of the Oregon*  
23 *Business Development Department*] **Director of the Oregon Department of Administrative Ser-**  
24 **vices**, for the purpose of financing all or a portion of the state share of costs to plan and implement  
25 seismic rehabilitation of emergency services buildings in the amount of the state share of costs, plus  
26 an amount determined by the State Treasurer to pay estimated bond-related costs.

27 “(3) The State Treasurer shall transfer the net proceeds of Article XI-N bonds issued for the  
28 purpose described in subsection (2) of this section to the Oregon Business Development Department  
29 for deposit in the Emergency Services Seismic Fund established under ORS 286A.788.

30 “**SECTION 21.** ORS 286A.798 is amended to read:

31 “286A.798. (1) In accordance with the applicable provisions of ORS chapter 286A, the State  
32 Treasurer, with the concurrence of the [*Director of the Oregon Department of Administrative*  
33 *Services*] **Superintendent of Public Instruction**, may issue Article XI-P bonds:

34 “(a) At the request of the [*Superintendent of Public Instruction*] **Director of the Oregon De-**  
35 **partment of Administrative Services** for the purposes specified in Article XI-P of the Oregon  
36 Constitution, plus an amount determined by the State Treasurer to pay estimated bond-related costs;  
37 and

38 “(b) Subject to the budget authorization for bond issuance established under ORS 286A.035 for  
39 the Department of Education for the biennium.

40 “(2) The State Treasurer may issue Article XI-P bonds for the purpose of refunding Article XI-P  
41 bonds.

42 “(3) The net proceeds of Article XI-P bonds must be deposited in the School Capital Matching  
43 Fund established under ORS 286A.806 as described in section 4, Article XI-P of the Oregon Consti-  
44 tution.

45 “(4) If at any time the superintendent determines that the net proceeds of Article XI-P bonds

1 deposited in the School Capital Matching Fund pursuant to subsection (3) of this section exceed the  
2 amount necessary for the purposes described in subsection (1)(a) of this section and the budget au-  
3 thorization, the superintendent, **in consultation with the Oregon Department of Administrative**  
4 **Services**, may transfer the excess amount to the Article XI-P Bond Fund established under ORS  
5 286A.802 or the Article XI-P Bond Administration Fund established under ORS 286A.804.

6 “(5) Article XI-P bonds are a general obligation of the State of Oregon and must contain a direct  
7 promise on behalf of the State of Oregon to pay the principal of, the interest on and the premium,  
8 if any, on the Article XI-P bonds. The State of Oregon shall pledge its full faith and credit and  
9 taxing power to the payment of the principal of, the interest on and the premium, if any, on Article  
10 XI-P bonds, except that the ad valorem taxing power of the State of Oregon may not be pledged to  
11 pay Article XI-P bonds.

12 “**SECTION 22.** ORS 291.445 is amended to read:

13 “291.445. (1) Before July 1 of each fiscal year, the **Director of the** Oregon Department of Ad-  
14 ministrative Services shall request from the appropriate state agency **or division** a certificate as  
15 prescribed in this section. The request shall be made by letter to the agency **or division**.

16 “(2) Each state agency authorized to issue general obligation bonds that are ordinarily to be  
17 repaid from other than General Fund appropriations shall, on or before August 15 of each fiscal  
18 year:

19 “(a) Certify to the Director of the Oregon Department of Administrative Services that the  
20 amounts available or that will become available during the current year to the bond program debt  
21 service fund to pay bond principal and interest that has accrued or will accrue during the current  
22 year are sufficient and will be sufficient to pay bond program principal and interest scheduled for  
23 payment during the current year; or

24 “(b) Certify to the Director of the Oregon Department of Administrative Services that the  
25 amounts available or that will become available during the current year to the bond program debt  
26 service fund will not be sufficient to pay bond program principal and interest scheduled for payment  
27 during the current year. A certificate issued under this paragraph shall specify the amount of the  
28 anticipated current year deficit. The Director of the Oregon Department of Administrative Services  
29 shall review and confirm the correctness of each certification made under this paragraph.

30 “(3) On or before August 15 of each fiscal year, the administrative division of the Oregon De-  
31 partment of Administrative Services that has primary responsibility for accounting for each general  
32 obligation bond program in which the bond principal and interest is ordinarily to be repaid, **in**  
33 **whole or in part**, from General Fund appropriations shall:

34 “(a) Certify to the Director of the Oregon Department of Administrative Services that the  
35 amounts available or that will become available during the current year from General Fund appro-  
36 priations to defray program bond principal and interest that has accrued or will accrue during the  
37 current year are sufficient and will be sufficient to pay program bond principal and interest sched-  
38 uled for payment during the current year; or

39 “(b) Certify to the Director of the Oregon Department of Administrative Services that the  
40 amounts available or that will become available during the current year from General Fund appro-  
41 priations will not be sufficient to pay program bond principal and interest scheduled for payment  
42 during the current year. A certificate issued under this paragraph shall specify the amount of the  
43 anticipated current year deficit.

44 “(4)(a) **For a general obligation bond program for which a property tax may be levied un-**  
45 **der the Oregon Constitution**, if a deficit in funds available to pay principal and interest [*in any*

1 *general obligation bond program*] is certified and confirmed under subsection (2) or certified under  
2 subsection (3) of this section, the amount of the deficit, together with any deficit that is certified for  
3 any other general obligation bond program shall upon certification constitute a state tax levy on  
4 property that shall be apportioned among and charged to the several counties in that proportion  
5 which the total assessed value of all the taxable property in each county bears to the total assessed  
6 value of all the taxable property of the state as equalized.

7 “(b) If any agency fails to make the certification under subsection (2) or (3) of this section with  
8 respect to any general obligation bond fund program, the Oregon Department of Administrative  
9 Services shall determine the amount of revenue and other funds that are available and the amount  
10 of taxes, if any, that should be levied in addition to the revenues and funds, to pay bond principal  
11 and interest under the program for the fiscal year in question. The additional amount so determined  
12 shall thereupon constitute a state tax levy on property that shall be apportioned, certified, collected  
13 and distributed as if determined and certified as a deficit by the agency. The Oregon Department  
14 of Administrative Services shall charge the agency for cost recovery for time spent on that agency’s  
15 behalf.

16 “(5) Immediately after the department has determined the amount of a state tax levy on property  
17 in accordance with subsection (4) of this section, a certificate of levy, signed by the director of the  
18 department, shall be filed in the office of the department. If no state levy is required for the fiscal  
19 or tax year, a certificate so stating and signed by the director shall be filed in the office of the de-  
20 partment.

21 “(6) If, for any reason, after the close of any regular session of the Legislative Assembly, it be-  
22 comes necessary to reduce General Fund appropriations, General Fund appropriations for a debt  
23 service fund of a general obligation bond program described under subsection (3) of this section may  
24 not be reduced.

25 “[*(7) For purposes of this section:*]

26 “[*(a) (7)(a) For purposes of this section, state agencies that are authorized to [issue] finance*  
27 **projects or programs through the issuance of** general obligation bonds ordinarily to be repaid  
28 from other than General Fund appropriations [*include but are not limited to:*] **are those agencies**  
29 **that have outstanding general obligation bonds, the debt service on which is not the subject**  
30 **of a General Fund appropriation in the current biennium.**

31 “[*(A) The Director of Veterans’ Affairs, as authorized by Article XI-A of the Oregon Constitution*  
32 *and ORS chapter 407 (veterans loans).*]

33 “[*(B) The Higher Education Coordinating Commission, for bonds authorized by Article XI-F(1) of*  
34 *the Oregon Constitution and ORS 286A.833 (higher education building projects).*]

35 “[*(C) The Department of Environmental Quality, as authorized by Article XI-H of the Oregon*  
36 *Constitution and ORS 468.195 to 468.260 (pollution control).*]

37 “[*(D) The Water Resources Commission and the Water Resources Director, as authorized by Arti-*  
38 *cle XI-I(1) of the Oregon Constitution and ORS 541.700 to 541.855 (water development).*]

39 “[*(E) The Housing and Community Services Department, as authorized by Article XI-I(2) of the*  
40 *Oregon Constitution and ORS 456.515 to 456.725 and 458.505 to 458.515 (housing).*]

41 “[*(F) The Director of the State Department of Energy, as authorized by Article XI-J of the Oregon*  
42 *Constitution and ORS 470.220 to 470.290 (small scale energy projects).*]

43 “[*(G) Other agencies as required by the Oregon Department of Administrative Services by rule*  
44 *adopted using the criterion of this subsection.*]

45 “(b) Each agency authorized to [*issue*] **finance projects or programs through the issuance**

1 of general obligation bonds that are ordinarily to be repaid from other than General Fund appro-  
2 priations shall determine the amount of revenues or other funds that are available and the amount  
3 of taxes, if any, that should be levied for the ensuing year in the manner required under rules  
4 adopted by the Oregon Department of Administrative Services and make the certification required  
5 under subsection (2) of this section.

6 “(8)(a) **For purposes of this section**, state agencies that are authorized to [issue] **finance**  
7 **projects or programs through the issuance of** general obligation bonds that are ordinarily to be  
8 repaid from General Fund appropriations [include but are not limited to:] **are those agencies that**  
9 **have outstanding general obligation bonds, the debt service on which is the subject of a**  
10 **General Fund appropriation in the current biennium.**

11 “[A] *The State Board of Forestry and the State Forester, as authorized by Article XI-E of the*  
12 *Oregon Constitution and ORS 530.210 to 530.280 (state reforestation).*]

13 “[B] *The Higher Education Coordinating Commission, for bonds authorized by Article XI-G of the*  
14 *Oregon Constitution and ORS 286A.848 (higher education and community colleges).*]

15 “[C] *Other agencies as required by the Oregon Department of Administrative Services by rule*  
16 *adopted using the criterion of this subsection.*]

17 “(b) Each agency authorized to [issue] **finance projects or programs through the issuance**  
18 **of** general obligation bonds ordinarily to be repaid from General Fund appropriations shall furnish  
19 any data required by the Oregon Department of Administrative Services to determine the amount  
20 of revenues or other funds that are available and the amount of taxes, if any, that should be levied  
21 for the ensuing year and the administrative division of the Oregon Department of Administrative  
22 Services that has primary responsibility for accounting shall make the determination for purposes  
23 of the making of the certification required under subsection (3) of this section.

24 “**SECTION 23. This 2017 Act being necessary for the immediate preservation of the public**  
25 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**  
26 **on its passage.**”.

27