

HB 5020-2
(LC 9020)
2/22/17 (DFY/ps)

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
HOUSE BILL 5020**

1 In line 2 of the printed bill, after the semicolon insert “creating new
2 provisions; amending ORS 286A.712, 286A.762, 286A.782, 286A.798, 286A.802,
3 286A.804, 286A.830, 286A.848, 286A.851, 286A.863, 291.445, 341.721, 341.725 and
4 341.728 and section 5, chapter 786, Oregon Laws 2013, section 1, chapter 685,
5 Oregon Laws 2015, and section 26, chapter 812, Oregon Laws 2015; repealing
6 ORS 341.731, 341.735, 341.751, 341.753, 341.755, 341.757, 341.759, 341.762,
7 341.764, 341.766, 341.768, 341.771, 341.773, 341.775, 341.777, 341.779, 341.782,
8 341.784 and 341.787;”.

9 Delete lines 4 through 15 and insert:

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

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

15

16 GENERAL OBLIGATION BONDS

17 General Fund Obligations

18 (1) Oregon Department of

19 Administrative Services,

20 Oregon Health and Science

21 University, Cancer

1	Institute (Art. XI-G).....	\$	200,035,000
2	(2) Higher Education Coordinating		
3	Commission (Art. XI-G):		
4	(a) Oregon State University:		
5	(A) Forest Science Complex	\$	30,140,000
6	(B) Marine Studies Campus		
7	Phase I.....	\$	25,155,000
8	(b) Portland State University,		
9	Neuberger Hall Renovation		
10	and Deferred Maintenance	\$	10,220,000
11	(c) University of Oregon:		
12	(A) Klamath Hall Renovation	\$	6,325,000
13	(B) College and Careers Building ...	\$	17,275,000
14	(C) Chapman Hall Renovation	\$	2,550,000
15	(d) Oregon Institute of		
16	Technology, [<i>Center for</i>		
17	<i>Excellence in Engineering</i>		
18	<i>and Technology</i>]		
19	Cornett Hall Renovation	\$	785,000
20	(e) Blue Mountain Community		
21	College, Animal Science		
22	Education Center	\$	3,331,350
23	(f) Columbia Gorge Community		
24	College, Middle College		
25	Prototype Facility	\$	7,320,000
26	(g) Klamath Community College,		
27	Student Success and		
28	Career/Technical Center	\$	7,850,000
29	(h) Mt. Hood Community		
30	College, Technology		

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

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

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

28 **“Sec. 26.** (1) For the biennium beginning July 1, 2015, at the request of
29 the Oregon Department of Administrative Services, after the department
30 consults with the Oregon Business Development Department, the State

1 Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to
2 286A.585 in an amount that produces \$4.5 million in net proceeds and interest
3 earnings for transfer to the Oregon Business Development Department for
4 deposit in the Cultural Resources Economic Fund, established in section 6,
5 chapter 786, Oregon Laws 2013, to provide grants described in subsection (2)
6 of this section, plus an additional amount estimated by the State Treasurer
7 to be necessary to pay bond-related costs.

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

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

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

13 “(c) \$600,000 to Oregon Public Broadcasting to finance renovation of its
14 headquarters and production facility.

15 “(d) \$400,000 to the Aurora Colony Historical Society to finance con-
16 struction of a storage facility for historical artifacts.

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

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

23 “(a) The grants described in this section will leverage art and cultural
24 resources to create vibrant public spaces that integrate art and cultural and
25 natural amenities, sustain Oregon’s rich arts and cultural experiences and
26 enhance a strong sense of place and community identity.

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

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

1 read:

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

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

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

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

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

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

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

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

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

1 of ORS chapter 286A.

2 **“SECTION 5. (1) The Oregon Department of Administrative Services**
3 **may, with respect to bonds described in subsection (2) of this section,**
4 **administer bond programs and the transfer or disbursement of bond**
5 **proceeds through intergovernmental agreements or grant or loan**
6 **agreements containing terms and conditions the department deter-**
7 **mines are necessary or advisable to:**

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

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

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

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

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

17 **“(2) The department may exercise powers authorized under sub-**
18 **section (1) of this section with respect to:**

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

20 **“(b) Bonds issued under ORS 286A.710 to 286A.720 and Article XI-D**
21 **of the Oregon Constitution (state power development);**

22 **“(c) Bonds issued under ORS 286A.760 to 286A.772 and Article XI-M**
23 **of the Oregon Constitution (seismic rehabilitation of public education**
24 **buildings);**

25 **“(d) Bonds issued under ORS 286A.780 to 286A.792 and Article XI-N**
26 **of the Oregon Constitution (seismic rehabilitation of emergency ser-**
27 **vices buildings);**

28 **“(e) Bonds issued under ORS 286A.796 to 286A.806 and Article XI-P**
29 **of the Oregon Constitution (school district capital costs);**

30 **“(f) Bonds issued under ORS 286A.816 to 286A.826 and Article XI-Q**

1 of the Oregon Constitution (property owned or operated by state); and
2 “(g) Bonds issued under ORS 286A.830 to 286A.863 and Article
3 XI-F(1) or Article XI-G of the Oregon Constitution (higher education).

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

5 “286A.802. (1) The Article XI-P Bond Fund is established in the State
6 Treasury, separate and distinct from the General Fund. Amounts in the
7 Article XI-P Bond Fund may be invested as provided in ORS 293.701 to
8 293.857, and interest earned on the bond fund must be credited to the bond
9 fund. Amounts credited to the bond fund are continuously appropriated to
10 the [*Department of Education*] **Oregon Department of Administrative**
11 **Services** for the purpose of paying, when due, the principal of, the interest
12 on and the premium, if any, on outstanding Article XI-P bonds. The depart-
13 ment shall deposit in the bond fund:

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

15 “(b) Amounts appropriated or otherwise provided by the Legislative As-
16 sembly for deposit in the bond fund;

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

18 “(d) Amounts transferred from the School Capital Matching Fund estab-
19 lished under ORS 286A.806 as described in section 4, Article XI-P of the
20 Oregon Constitution.

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

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

25 “286A.804. (1) The Article XI-P Bond Administration Fund is established
26 in the State Treasury, separate and distinct from the General Fund. Amounts
27 in the Article XI-P Bond Administration Fund may be invested as provided
28 in ORS 293.701 to 293.857, and interest earned on the bond administration
29 fund must be credited to the bond administration fund. Amounts credited to
30 the bond administration fund are continuously appropriated to the [*Depart-*

1 *ment of Education]* **Oregon Department of Administrative Services** for
2 payment of bond-related costs. The department shall credit to the bond ad-
3 ministration fund:

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

6 “(b) Amounts appropriated or otherwise provided by the Legislative As-
7 sembly for deposit in the bond administration fund; and

8 “(c) Amounts transferred from the School Capital Matching Fund estab-
9 lished under ORS 286A.806 as described in section 4, Article XI-P of the
10 Oregon Constitution.

11 “(2) At the request of the department, the State Treasurer may create
12 separate accounts in the bond administration fund as provided in ORS
13 286A.025 (2)(g).

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

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

18 “286A.830. As used in ORS 286A.830 to 286A.863:

19 “(1) ‘Article XI-F(1) bonds’ means bonds issued under the authority of
20 Article XI-F(1) of the Oregon Constitution for the benefit of a public uni-
21 versity.

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

25 “(3) ‘Bond-related costs’ means:

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

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

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

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

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

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

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

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

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

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

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

19 “[4] (5) ‘Federal tax benefit’ means the excludability of interest on
20 higher education bonds from gross income under the Internal Revenue Code,
21 the qualification of higher education bonds for any federal interest subsidy
22 payment or any other tax-advantaged status granted under the Internal
23 Revenue Code.

24 “[5] (6) ‘Grant contract’ means a contract approved by the department
25 and executed by a public university **or community college** and the com-
26 mission that establishes the terms and conditions for issuance of Article XI-G
27 bonds and the disbursement of proceeds to the public university **or com-**
28 **munity college.**

29 “[6] (7) ‘Higher education bonds’ means Article XI-F(1) bonds and Arti-
30 cle XI-G bonds.

1 “(8) **‘Higher Education Coordinating Commission’** includes all of-
2 **ices that function under the direction and control of the commission.**

3 “[(7)] (9) ‘Loan agreement’ means a contract approved by the department
4 and executed by a public university and the commission that establishes the
5 terms and conditions for issuance of Article XI-F(1) bonds, lending of bond
6 proceeds and loan repayment.

7 “[(8)] (10) ‘Loan repayment schedule’ means the schedule of repayment of
8 loans made with proceeds of Article XI-F(1) bonds that a public university
9 is obligated to make to the State of Oregon pursuant to a loan agreement.

10 “[(9)] (11) ‘Matching amount’ means moneys unconditionally available to
11 a public university **or community college** for the same or similar purposes
12 as the proceeds of Article XI-G bonds issued for the benefit of the public
13 university **or community college** and meeting the requirements set forth
14 in Article XI-G, section 1 (3), of the Oregon Constitution.

15 “[(10)] (12) ‘Public university’ means any institution established as a
16 public university under ORS 352.002.

17 “[(11)] (13) ‘Refunding bond’ means an Article XI-F(1) bond issued for the
18 purpose of refunding an outstanding Article XI-F(1) bond, or an Article XI-G
19 bond issued for the purpose of refunding an outstanding Article XI-G bond,
20 regardless of whether the refunding is on a current, advance, forward deliv-
21 ery, synthetic or other basis.

22 “[(12)] (14) ‘Revenue sufficiency’ means the condition of having revenues,
23 not including amounts appropriated by the Legislative Assembly from the
24 General Fund, that are conservatively estimated to be lawfully available and
25 sufficient to pay debt service on particular Article XI-F(1) bonds and operate
26 the projects financed with the proceeds of those Article XI-F(1) bonds.

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

28 “286A.848. (1) In accordance with the applicable provisions of this chap-
29 ter, the State Treasurer, with the concurrence of the [*Director of the Oregon*
30 *Department of Administrative Services*] **Higher Education Coordinating**

1 **Commission**, may issue Article XI-G bonds **for the benefit of a public**
2 **university or a community college** if:

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

8 “(b) The issuance does not exceed the budget authorization for bond is-
9 suance established under ORS 286A.035; and

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

12 “(2) The State Treasurer may issue Article XI-G bonds for the purpose of
13 refunding Article XI-G bonds without a request from the [*commission*] **di-**
14 **rector** when the State Treasurer determines it is in the best interests of the
15 State of Oregon to refund Article XI-G bonds.

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

22 “(4) If at any time the department and the commission jointly determine
23 that the net proceeds of Article XI-G bonds deposited in a project fund pur-
24 suant to subsection (3) of this section exceed the cost of the project described
25 in the commission’s budget authorization, the department may allocate and
26 transfer the excess amount as determined by the department to other project
27 funds, the Article XI-G Bond Fund established under ORS 286A.854 or the
28 Article XI-G Bond Administration Fund established under ORS 286A.857.

29 “(5) Article XI-G bonds are direct general obligations of the State of
30 Oregon and must contain a direct promise on behalf of the State of Oregon

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

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

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

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

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

15 “[*(2)*] (b) Terms and conditions obligating the public university **or com-**
16 **munity college** to maintain any federal tax benefit related to the Article
17 XI-G bonds and to execute and deliver any required tax certificates or
18 agreements in connection with any federal tax benefit related to the Article
19 XI-G bonds; and

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

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

24 **“(a) Reporting and accounting requirements or other conditions**
25 **necessary or advisable to ensure that moneys are expended for in-**
26 **tended purposes;**

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

29 **“(c) Provisions for the payment of fees by a community college to**
30 **cover costs of the commission relating to the execution of the**

1 **commission’s responsibilities under the grant contract.**

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

3 “286A.863. (1) The Oregon Department of Administrative Services may, in
4 consultation with the Higher Education Coordinating Commission, adopt
5 rules for the purpose of carrying out ORS 286A.830 to 286A.860 including,
6 but not limited to, establishing:

7 “(a) Fees and costs to be paid by public universities **or community col-**
8 **leges** for administration of higher education bonds, including reasonable fees
9 and expenses of the State Treasurer as provided in ORS 286A.014;

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

15 “(c) Standards, terms and conditions for maintaining federal tax benefits
16 related to higher education bonds.

17 “(2) The department or the commission, or both, may periodically bill a
18 public university **or community college**, without duplicating costs billed
19 by contract, for the public university’s **or community college’s** propor-
20 tional share of costs incurred by the department, or the commission, in con-
21 nection with higher education bonds, including, but not limited to:

22 “(a) Bond-related costs of higher education bonds issued or proposed to
23 be issued to finance or refinance projects of the public university **or com-**
24 **munity college**; and

25 “(b) Costs of legal or financial consultants or advisors, including, without
26 limitation, bond counsel to the State of Oregon, for services that are pro-
27 vided at the request of a public university **or community college** in con-
28 nection with higher education bonds that are issued or proposed to be issued.

29 “(3) The department and the commission may each bill at such intervals
30 as may be established in the department’s or commission’s own procedures

1 and shall deposit the moneys [*paid by the public university*] **received** in the
2 applicable bond fund, bond administration fund or other fund relating to
3 higher education bonds, as the department or commission determines is ap-
4 propriate. A public university **or community college** that receives a bill
5 for bond-related costs shall pay the amount billed by the time and in the
6 manner designated in the billing statement.

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

9 “(A) Receive payments from Oregon Health and Science University of
10 amounts used to pay debt service on bonds issued by the State Treasurer to
11 finance joint projects of Oregon Health and Science University and one or
12 more public universities; or

13 “(B) Administer tax compliance obligations of Oregon Health and Science
14 University [*pursuant to agreements between Oregon Health and Science Uni-*
15 *versity and the Oregon University System*].

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

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

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

28 “341.721. [(1)] To provide funds to community college districts for the
29 purposes specified in Article XI-G of the Oregon Constitution, the State
30 Treasurer may issue bonds **under ORS 286A.848.** [*at the request of the*

1 *Higher Education Coordinating Commission in accordance with the provisions*
2 *of ORS chapter 286A.]*

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

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

10 “341.725. (1) The Community College Capital Construction Fund is estab-
11 lished in the State Treasury, separate and distinct from the General Fund.
12 Interest earned on moneys in the Community College Capital Construction
13 Fund shall be credited to the fund.

14 “(2) Moneys in the Community College Capital Construction Fund are
15 continuously appropriated to the Higher Education Coordinating Commission
16 and may be distributed by the commission for the purposes described in Ar-
17 ticle XI-G, section 1 (2), of the Oregon Constitution, pursuant to grant
18 [agreements] **contracts** entered into between the [Office of Community Col-
19 leges and Workforce Development and community college districts under ORS
20 341.735.] **commission and community colleges under ORS 286A.851.**

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

22 “341.728. (1) The Community College Bond Building Fund is established
23 in the State Treasury, separate and distinct from the General Fund.

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

28 “(3) Moneys in the Community College Bond Building Fund are contin-
29 uously appropriated to the Higher Education Coordinating Commission and
30 may be distributed by the commission [for the purposes described in Article

1 *XI-G, section 1 (2), of the Oregon Constitution, including payment of costs re-*
2 *lated to issuing bonds and payment of debt service on bonds,] pursuant to*
3 *grant [agreements] **contracts** entered into between the [Office of Community*
4 *Colleges and Workforce Development and community college districts under*
5 *ORS 341.735.] **commission and community colleges under ORS 286A.851.***

6 “(4) Moneys in the Community College Bond Building Fund may be in-
7 vested as provided in ORS 286A.025 until needed for distribution under sub-
8 section (3) of this section. If a surplus remains in the fund after
9 disbursement, the surplus and earnings from temporary investments shall be
10 credited to the [*Community College Bond Sinking Fund.*] **Article XI-G Bond**
11 **Fund established under ORS 286A.854.**

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

13 **“SECTION 17. ORS 341.751, 341.753, 341.755, 341.757, 341.759, 341.762,**
14 **341.764, 341.766, 341.768, 341.771, 341.773, 341.775, 341.777, 341.779, 341.782,**
15 **341.784 and 341.787 are repealed.**

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

17 “286A.712. (1) Article XI-D bonds are a general obligation of the State of
18 Oregon and must contain a direct promise on behalf of the State of Oregon
19 to pay the principal of, the interest on and the premium, if any, on the Ar-
20 ticle XI-D bonds. The State of Oregon shall pledge its full faith and credit
21 and taxing power to pay Article XI-D bonds, except that the ad valorem
22 taxing power of the State of Oregon may not be pledged to pay Article XI-D
23 bonds.

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

28 “(a) At the request of the [*Director of the State Department of Energy*]
29 **Director of the Oregon Department of Administrative Services** for any
30 of the purposes specified in Article XI-D of the Oregon Constitution, plus an

1 amount determined by the State Treasurer to pay estimated bond-related
2 costs; and

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

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

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

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

12 “286A.762. (1) Article XI-M bonds are a general obligation of the State
13 of Oregon and must contain a direct promise on behalf of the State of Oregon
14 to pay the principal of, the interest on and the premium, if any, on the Ar-
15 ticle XI-M bonds. The State of Oregon shall pledge its full faith and credit
16 and taxing power to pay Article XI-M bonds, except that the ad valorem
17 taxing power of the State of Oregon may not be pledged to pay Article XI-M
18 bonds.

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

30 “(3) The State Treasurer shall transfer the net proceeds of Article XI-M

1 bonds issued for the purpose described in subsection (2)(a) of this section to
2 the Oregon Business Development Department for deposit in the Education
3 Seismic Fund established under ORS 286A.768.

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

5 “286A.782. (1) Article XI-N bonds are a general obligation of the State of
6 Oregon and must contain a direct promise on behalf of the State of Oregon
7 to pay the principal of, the interest on and the premium, if any, on the Ar-
8 ticle XI-N bonds. The State of Oregon shall pledge its full faith and credit
9 and taxing power to pay Article XI-N bonds, except that the ad valorem
10 taxing power of the State of Oregon may not be pledged to pay Article XI-N
11 bonds.

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

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

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

28 “286A.798. (1) In accordance with the applicable provisions of ORS chap-
29 ter 286A, the State Treasurer, with the concurrence of the [*Director of the*
30 *Oregon Department of Administrative Services*] **Superintendent of Public**

1 **Instruction**, may issue Article XI-P bonds:

2 “(a) At the request of the [*Superintendent of Public Instruction*] **Director**
3 **of the Oregon Department of Administrative Services** for the purposes
4 specified in Article XI-P of the Oregon Constitution, plus an amount deter-
5 mined by the State Treasurer to pay estimated bond-related costs; and

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

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

10 “(3) The net proceeds of Article XI-P bonds must be deposited in the
11 School Capital Matching Fund established under ORS 286A.806 as described
12 in section 4, Article XI-P of the Oregon Constitution.

13 “(4) If at any time the superintendent determines that the net proceeds
14 of Article XI-P bonds deposited in the School Capital Matching Fund pur-
15 suant to subsection (3) of this section exceed the amount necessary for the
16 purposes described in subsection (1)(a) of this section and the budget au-
17 thorization, the superintendent, **in consultation with the Oregon Depart-**
18 **ment of Administrative Services**, may transfer the excess amount to the
19 Article XI-P Bond Fund established under ORS 286A.802 or the Article XI-P
20 Bond Administration Fund established under ORS 286A.804.

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

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

29 “291.445. (1) Before July 1 of each fiscal year, the **Director of the Oregon**
30 **Department of Administrative Services** shall request from the appropriate

1 state agency **or division** a certificate as prescribed in this section. The re-
2 quest shall be made by letter to the agency **or division**.

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

6 “(a) Certify to the Director of the Oregon Department of Administrative
7 Services that the amounts available or that will become available during the
8 current year to the bond program debt service fund to pay bond principal
9 and interest that has accrued or will accrue during the current year are
10 sufficient and will be sufficient to pay bond program principal and interest
11 scheduled for payment during the current year; or

12 “(b) Certify to the Director of the Oregon Department of Administrative
13 Services that the amounts available or that will become available during the
14 current year to the bond program debt service fund will not be sufficient to
15 pay bond program principal and interest scheduled for payment during the
16 current year. A certificate issued under this paragraph shall specify the
17 amount of the anticipated current year deficit. The Director of the Oregon
18 Department of Administrative Services shall review and confirm the cor-
19 rectness of each certification made under this paragraph.

20 “(3) On or before August 15 of each fiscal year, the administrative divi-
21 sion of the Oregon Department of Administrative Services that has primary
22 responsibility for accounting for each general obligation bond program in
23 which the bond principal and interest is ordinarily to be repaid, **in whole**
24 **or in part**, from General Fund appropriations shall:

25 “(a) Certify to the Director of the Oregon Department of Administrative
26 Services that the amounts available or that will become available during the
27 current year from General Fund appropriations to defray program bond
28 principal and interest that has accrued or will accrue during the current
29 year are sufficient and will be sufficient to pay program bond principal and
30 interest scheduled for payment during the current year; or

1 “(b) Certify to the Director of the Oregon Department of Administrative
2 Services that the amounts available or that will become available during the
3 current year from General Fund appropriations will not be sufficient to pay
4 program bond principal and interest scheduled for payment during the cur-
5 rent year. A certificate issued under this paragraph shall specify the amount
6 of the anticipated current year deficit.

7 “(4)(a) **For a general obligation bond program for which a property**
8 **tax may be levied under the Oregon Constitution**, if a deficit in funds
9 available to pay principal and interest [*in any general obligation bond pro-*
10 *gram*] is certified and confirmed under subsection (2) or certified under sub-
11 section (3) of this section, the amount of the deficit, together with any deficit
12 that is certified for any other general obligation bond program shall upon
13 certification constitute a state tax levy on property that shall be apportioned
14 among and charged to the several counties in that proportion which the total
15 assessed value of all the taxable property in each county bears to the total
16 assessed value of all the taxable property of the state as equalized.

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

28 “(5) Immediately after the department has determined the amount of a
29 state tax levy on property in accordance with subsection (4) of this section,
30 a certificate of levy, signed by the director of the department, shall be filed

1 in the office of the department. If no state levy is required for the fiscal or
2 tax year, a certificate so stating and signed by the director shall be filed in
3 the office of the department.

4 “(6) If, for any reason, after the close of any regular session of the Leg-
5 islative Assembly, it becomes necessary to reduce General Fund appropri-
6 ations, General Fund appropriations for a debt service fund of a general
7 obligation bond program described under subsection (3) of this section may
8 not be reduced.

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

10 “(a) **For purposes of this section**, state agencies that are authorized to
11 *[issue]* **finance projects or programs through the issuance of** general
12 obligation bonds ordinarily to be repaid from other than General Fund ap-
13 propriations *[include but are not limited to:]* **are those agencies that have**
14 **outstanding general obligation bonds, the debt service on which is not**
15 **the subject of a General Fund appropriation in the current biennium.**

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

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

21 “*[(C) The Department of Environmental Quality, as authorized by Article*
22 *XI-H of the Oregon Constitution and ORS 468.195 to 468.260 (pollution con-*
23 *trol).]*

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

27 “*[(E) The Housing and Community Services Department, as authorized by*
28 *Article XI-I(2) of the Oregon Constitution and ORS 456.515 to 456.725 and*
29 *458.505 to 458.515 (housing).]*

30 “*[(F) The Director of the State Department of Energy, as authorized by*

1 *Article XI-J of the Oregon Constitution and ORS 470.220 to 470.290 (small*
2 *scale energy projects).]*

3 “[(G) *Other agencies as required by the Oregon Department of Adminis-*
4 *trative Services by rule adopted using the criterion of this subsection.]*

5 “(b) Each agency authorized to [issue] **finance projects or programs**
6 **through the issuance of** general obligation bonds that are ordinarily to be
7 repaid from other than General Fund appropriations shall determine the
8 amount of revenues or other funds that are available and the amount of
9 taxes, if any, that should be levied for the ensuing year in the manner re-
10 quired under rules adopted by the Oregon Department of Administrative
11 Services and make the certification required under subsection (2) of this
12 section.

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

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

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

25 “[(C) *Other agencies as required by the Oregon Department of Adminis-*
26 *trative Services by rule adopted using the criterion of this subsection.]*

27 “(b) Each agency authorized to [issue] **finance projects or programs**
28 **through the issuance of** general obligation bonds ordinarily to be repaid
29 from General Fund appropriations shall furnish any data required by the
30 Oregon Department of Administrative Services to determine the amount of

1 revenues or other funds that are available and the amount of taxes, if any,
2 that should be levied for the ensuing year and the administrative division
3 of the Oregon Department of Administrative Services that has primary re-
4 sponsibility for accounting shall make the determination for purposes of the
5 making of the certification required under subsection (3) of this section.

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

9
