A-Engrossed Senate Bill 1566

Ordered by the Senate February 15 Including Senate Amendments dated February 15

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with presession filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes Employer Incentive Fund. Appropriates moneys in fund to Public Employees Retirement Board for purpose of matching portions of certain lump sum payments of employer contributions to Public Employees Retirement System.

[Directs Department of Revenue to establish general tax amnesty program of limited duration. Directs department to transfer certain moneys collected under program to Public Employees Retirement Fund to be credited to side account for school districts.]

Allows participating public employer that makes lump sum payment of employer contributions to system in amount equal to or greater than \$10 million to choose amortization period for use of lump sum payment to offset employer contributions otherwise owed. Directs transfer of certain proceeds from debt collection, capital gains tax, estate tax, marijuana

Directs transfer of certain proceeds from debt collection, capital gains tax, estate tax, marijuana tax, wine, cider and malt beverage privilege tax and lawsuit settlements to Public Employees Retirement Fund to be credited to side account for school districts.

Directs transfer of certain proceeds from lottery revenues to Public Employees Retirement Fund to be credited to side accounts for school districts, community colleges and public universities. Provides that Department of State Lands shall [distribute certain proceeds from sale of unclaimed

Provides that Department of State Lands shall [distribute certain proceeds from sale of unclaimed property in Common School Fund Account] transfer from Common School Fund Account all or part of interest earned from certain unclaimed property to Public Employees Retirement Fund to be credited to side account for school districts.

Directs State Treasurer to study feasibility and prudence of borrowing moneys in Oregon Short Term Fund to be redeployed into investments. Directs State Treasurer to report to Legislative Assembly on results of study no later than September 30, 2019.

Provides for direct review by Supreme Court.

Takes effect on 91st day following adjournment sine die.

1	A BILL FOR AN ACT
2	Relating to employer contributions to the Public Employees Retirement System; creating new pro-
3	visions; amending ORS 475B.759 and 475B.895; and prescribing an effective date.
4	Be It Enacted by the People of the State of Oregon:
5	
6	EMPLOYER INCENTIVE FUND
7	
8	SECTION 1. (1) The Employer Incentive Fund is established in the State Treasury, sep-
9	arate and distinct from the General Fund. Interest earned by the Employer Incentive Fund
10	shall be credited to the fund, but interest earned may not be used under section 2 of this 2018
11	Act to match lump sum payments made under ORS 238.229.
12	(2) Moneys in the fund are continuously appropriated to the Public Employees Retirement
13	Board for the purposes described in section 2 of this 2018 Act.
14	SECTION 2. (1)(a) The Public Employees Retirement Board shall establish a process for

distributing the moneys in the Employer Incentive Fund established under section 1 of this 1 2 2018 Act. (b) The process must allow a participating public employer to apply to reserve matching 3 amounts in the Employer Incentive Fund by committing to make a qualifying lump sum 4 payment to an account established under ORS 238.229. $\mathbf{5}$ (2) The board shall adopt rules establishing: 6 (a) The percentage of a lump sum payment that may be matched by distributions from 7 the fund, not to exceed 25 percent of a qualifying lump sum payment. 8 9 (b) The maximum matching amount that may be reserved by a participating public em-10 ployer, not to exceed \$_ (c) The qualifications for lump sum payments that may be matched under this section. 11 12The qualifications must include the following requirements: 13 (A) The participating public employer must apply to reserve matching funds no later than December 31, 2019. 14 15 (B) The participating public employer must make the qualifying lump sum payment no later than July 1, 2023. 16 17(C) A qualifying lump sum payment may not be a payment from moneys borrowed by the employer. 18 (3)(a) The board may begin accepting applications under subsection (1) of this section on 19 the date on which the board determines that there are sufficient moneys in the Employer 20**Incentive Fund.** 2122(b) For 180 days after the board begins accepting applications under subsection (1) of this section, a participating public employer may apply to reserve matching amounts from the 23Employer Incentive Fund under subsection (1) of this section only if the unfunded actuarial 94 liability attributable to the employer, as determined in the most recent report prepared un-25der ORS 238.605, is more than 200 percent of the employer's payroll for members of the 2627Public Employees Retirement System. (c) After the 180-day period described in paragraph (b) of this subsection, any partic-28ipating public employer may apply to reserve matching funds from the Employer Incentive 2930 Fund under subsection (1) of this section. 31 (4) The board shall approve applications that meet the qualifications established under subsection (2) of this section in the order in which the applications are submitted. The board 32shall continue approving applications as long as moneys in the Employer Incentive Fund are 33 34 available. 35(5) The board shall transfer matching amounts approved under subsection (4) of this section from the Employer Incentive Fund to the approved employers' accounts established 36 37 under ORS 238.229. (6) The board may transfer moneys from the Employer Incentive Fund to the Public 38 Employees Retirement Fund established under ORS 238.660 for crediting to the reserves for 39 pension accounts and annuities as provided in ORS 238.670 (2). 40 SECTION 3. (1) Section 2 of this 2018 Act is repealed January 2, 2025. 41 (2)(a) The Employer Incentive Fund established under section 1 of this 2018 Act is abol-42 ished on January 2, 2025. 43 (b) The unexpended moneys remaining in the Employer Incentive Fund on January 2, 44 2025, shall be transferred to the General Fund. 45

1	AMORTIZATION PERIOD FOR LUMP SUM PAYMENTS
2	
3	SECTION 3a. Section 3b of this 2018 Act is added to and made a part of ORS chapter 238.
4	SECTION 3b. If a participating public employer makes a lump sum payment to an ac-
5	count established under ORS 238.229 in an amount equal to or greater than \$10 million, the
6	Public Employees Retirement Board shall allow the participating public employer to choose
7 8	an amortization period of six years, 10 years, 16 years or 20 years for the use of the lump sum payment to offset contributions to the system that the public employer would otherwise
o 9	be required to make for the liabilities against which the lump sum payment is applied.
9 10	NOTE: Sections 4 through 11 were deleted by amendment. Subsequent sections were not re-
10	numbered.
11	numbered.
13	PROCEEDS FROM DEBT COLLECTION
10	
15	SECTION 12. (1) Not later than January 31 of each year, the Oregon Department of Ad-
16	ministrative Services shall calculate:
17	(a) The average amount per fiscal year collected by or on behalf of state agencies re-
18	quired to report under ORS 293.229 for liquidated and delinquent accounts owed to the Gen-
19	eral Fund during the three fiscal years preceding the immediately preceding fiscal year; and
20	(b) The amount collected by or on behalf of state agencies required to report under ORS
21	293.229 for liquidated and delinquent accounts owed to the General Fund during the imme-
22	diately preceding fiscal year, as reported under ORS 293.229.
23	(2) If the amount calculated under subsection (1)(b) of this section exceeds the average
24	calculated under subsection (1)(a) of this section, the department shall coordinate the
25	transfer from the General Fund of an amount equal to the excess, less any amount required
26	to be returned to taxpayers under ORS 291.349, to the Public Employees Retirement Fund
27	established in ORS 238.660. The department shall coordinate the transfer of amounts required
28	under this section at least once in each biennium. The Public Employees Retirement Board
29	shall credit the amounts transferred to the account established under section 24 (1) of this
30	2018 Act.
31	SECTION 12a. (1) The Oregon Department of Administrative Services shall make the
32	first calculation under section 12 (1)(a) of this 2018 Act no later than January 31, 2019, for
33	the three fiscal years beginning July 1, 2014.
34	(2) Notwithstanding section 12 (2) of this 2018 Act, the department shall coordinate the
35	first transfer of amounts required under section 12 (2) of this 2018 Act no later than January
36	31, 2020.
37	SECTION 12b. Section 12 of this 2018 Act is repealed on December 31, 2024.
38	
39	PROCEEDS FROM CAPITAL GAINS TAX
40	
41	SECTION 13. (1) Not earlier than July 1 and not later than October 1 of the years 2019,
42	2021 and 2023, the division of the Oregon Department of Administrative Services that serves
43	as office of economic analysis shall:
44	(a) Calculate the rate of change in the tax liability from personal income taxes on taxable
45	capital gains during the five preceding biennia; and

[3]

1 (b) Use the rate of change calculated under paragraph (a) of this subsection to forecast 2 the tax liability from personal income taxes on taxable capital gains for the biennium begin-3 ning on July 1 of the year in which the calculation is made.

4 (2) Not later than November 1 of the odd-numbered year following each calculation under 5 subsection (1) of this section, the Oregon Department of Administrative Services, in consul-6 tation with the Department of Revenue, shall estimate the tax liability from personal income 7 taxes on taxable capital gains for the previous biennium.

8 (3) Not later than November 30 of the odd-numbered year in which the estimate is made 9 under subsection (2) of this section, the Oregon Department of Administrative Services, in 10 consultation with the Department of Revenue, shall determine whether the tax liability from 11 personal income taxes on capital gains estimated under subsection (2) of this section exceeds 12 the tax liability from personal income taxes on taxable capital gains forecasted under sub-13 section (1) of this section.

(4) The Department of Revenue shall transfer an amount equal to the amount of any excess calculated under subsection (3) of this section, less any amount required to be returned to taxpayers under ORS 291.349, to the Public Employees Retirement Fund established under ORS 238.660. The Public Employees Retirement Board shall credit the amounts transferred to the account established under section 24 (1) of this 2018 Act.

(5) The Department of Revenue shall retain unreceipted revenue from the tax imposed under ORS chapter 316 in an amount necessary to make the transfer required under subsection (4) of this section. The department shall make the transfer out of the unreceipted revenue in lieu of paying the revenue over to the State Treasurer for deposit in the General Fund.

24 <u>SECTION 14.</u> The division of the Oregon Department of Administrative Services that 25 serves as office of economic analysis shall make the first calculation required under section 26 13 (1) of this 2018 Act not later than October 1, 2019. The calculation shall be for the five 27 biennia beginning July 1, 2009.

- 28
- 29 30

PROCEEDS FROM ESTATE TAXES

SECTION 15. (1) Not earlier than July 1 and not later than October 1 of the years 2019,
 2021 and 2023, the division of the Oregon Department of Administrative Services that serves
 as office of economic analysis shall:

(a) Calculate the rate of change in collections from estate taxes during the five preceding
 biennia; and

(b) Use the rate of change calculated under paragraph (a) of this subsection to forecast
 the collections from estate taxes for the biennium beginning on July 1 of the year in which
 the calculation is made.

(2) Not later than November 1 of the odd-numbered year following each calculation under
subsection (1) of this section, the Oregon Department of Administrative Services, in consultation with the Department of Revenue, shall estimate the collections from estate taxes for
the previous biennium.

(3) Not later than November 30 of the odd-numbered year in which the estimate is made
 under subsection (2) of this section, the Oregon Department of Administrative Services, in
 consultation with the Department of Revenue, shall determine whether the collections from

estate taxes estimated under subsection (2) of this section exceed the collections from estate 1 2 taxes forecasted under subsection (1) of this section. (4) The Department of Revenue shall transfer an amount equal to the amount of any 3 excess calculated under subsection (3) of this section, less any amount required to be re-4 turned to taxpayers under ORS 291.349, to the Public Employees Retirement Fund established 5 under ORS 238.660. The Public Employees Retirement Board shall credit the amounts trans-6 ferred to the account established under section 24 (1) of this 2018 Act. 7 (5) The Department of Revenue shall retain unreceipted revenue from estate taxes im-8 9 posed under ORS 118.005 to 118.540 in an amount necessary to make the transfer required under subsection (4) of this section. The department shall make the transfer out of the un-10 receipted revenue in lieu of paying the revenue over to the State Treasurer for deposit in the 11 12 **General Fund.** 13 SECTION 16. The division of the Oregon Department of Administrative Services that serves as office of economic analysis shall make the first calculation required under section 14 15 15 (1) of this 2018 Act not later than October 1, 2019. The calculation shall be for the five 16 biennia beginning January 1, 2009. 17 18 PROCEEDS FROM MARIJUANA TAX 19 SECTION 17. (1) No earlier than July 1 and no later than October 1 of the years 2019, 2021 20and 2023, the Oregon Department of Administrative Services shall compare: 2122(a) The amount estimated to be received pursuant to the tax imposed under ORS 475B.705 for the immediately preceding biennium in the last estimate under ORS 475B.712 before the 23beginning of the immediately preceding biennium; and 24 (b) The revenue received pursuant to the tax imposed under ORS 475B.705 during the 25immediately preceding biennium. 2627(2) If the Oregon Department of Administrative Services determines that the amount specified in subsection (1)(b) of this section exceeds the amount specified in subsection (1)(a) 28of this section, the Department of Revenue shall transfer an amount equal to the excess, less 2930 the 20 percent of the moneys transferred to the Oregon Marijuana Account under ORS 31 475B.760 that are required to be transferred to cities and counties under ORS 475B.759 (3)(b), from the Oregon Marijuana Account established under ORS 475B.759 to the Public Employees 32Retirement Fund established under ORS 238.660. The Public Employees Retirement Board 33 34 shall credit the amounts transferred to the account established under section 24 (1) of this 2018 Act. 35(3) The Department of Revenue shall retain unreceipted revenue from the tax imposed 36 37 under ORS 475B.705 in an amount necessary to make the transfer required under subsection 38 (2) of this section. The department shall make the transfer out of the unreceipted revenue in lieu of paying the revenue over to the State Treasurer for deposit in the suspense account 39 established under ORS 475B.760. 40 SECTION 17a. ORS 475B.759 is amended to read: 41 475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from the 42 General Fund. 43 (2) The account shall consist of moneys transferred to the account under ORS 475B.760. 44 (3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the 45

1 Oregon Marijuana Account.

2 (b) Subject to subsection (4) of this section, the department shall transfer quarterly 20 percent 3 of the moneys in the Oregon Marijuana Account as follows:

4 (A) Ten percent of the moneys in the account must be transferred to the cities of this state in 5 the following shares:

6 (i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the popu-7 lation of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a) 8 of this section compared to the population of all cities of this state that are not exempt from this 9 paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University 10 under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

(ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each city compared to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day of that calendar quarter for all premises in this state located in cities; and

(B) Ten percent of the moneys in the account must be transferred to counties in the followingshares:

(i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant
to ORS 475B.070 on the last business day of the calendar quarter preceding the date of the transfer
for all premises located in each county compared to the total commercially available area of all
grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the
last business day of that calendar quarter for all premises located in this state; and

(ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each county compared to
the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business
day of that calendar quarter for all premises in this state.

(c) [Eighty percent of] The remainder of the moneys in the Oregon Marijuana Account after
 the transfers required by paragraph (b) of this subsection and section 17 of this 2018 Act must
 be used as follows:

(A) [Forty] 50 percent of the remaining moneys in the account must be used solely for purposes
 for which moneys in the State School Fund established under ORS 327.008 may be used;

(B) [Twenty] 25 percent of the remaining moneys in the account must be used solely for purposes for which moneys in the Mental Health Alcoholism and Drug Services Account established
under ORS 430.380 may be used;

(C) [Fifteen] 18.75 percent of the remaining moneys in the account must be used solely for
 purposes for which moneys in the State Police Account established under ORS 181A.020 may be
 used; and

(D) [Five] 6.25 percent of the remaining moneys in the account must be used solely for purposes
 related to alcohol and drug abuse prevention, early intervention and treatment services.

42 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu43 ance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to
44 receive transfers of moneys under subsection (3)(b)(A) of this section.

45 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-

ance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under
 subsection (3)(b)(B)(i) of this section.

3 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-4 ance of a license under ORS 475B.090, 475B.100 or 475B.105 is required is not eligible to receive 5 transfers of moneys under subsection (3)(b)(B)(ii) of this section.

6 (5) In a form and manner prescribed by the Oregon Liquor Control Commission, each city and 7 county in this state shall certify with the commission whether the city or county has an ordinance 8 prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070, 9 475B.090, 475B.100 or 475B.105 is required. If a city fails to comply with this subsection, the city is 10 not eligible to receive transfers of moneys under subsection (3)(b)(A) of this section. If a county fails 11 to comply with this subsection, the county is not eligible to receive transfers of moneys under sub-12 section (3)(b)(B) of this section.

13 SECTION 17b. ORS 475B.895 is amended to read:

475B.895. (1) The Oregon Health Authority shall enter into an agreement with the Oregon Liquor Control Commission under which the commission shall use the system developed and maintained under ORS 475B.177 to track:

(a) The propagation of immature marijuana plants and the production of marijuana by marijuanagrow sites;

(b) The processing of marijuana into medical cannabinoid products, cannabinoid concentrates
 and cannabinoid extracts that are transferred to a medical marijuana dispensary;

(c) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products,
 cannabinoid concentrates and cannabinoid extracts by a marijuana grow site or a medical marijuana
 dispensary to a registry identification cardholder or the designated primary caregiver of a registry
 identification cardholder; and

(d) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products,
 cannabinoid concentrates and cannabinoid extracts between marijuana grow sites, marijuana pro cessing sites and medical marijuana dispensaries.

(2) Marijuana grow sites, marijuana processing sites, medical marijuana dispensaries and any
 other person that processes marijuana into medical cannabinoid products and cannabinoid concen trates for the purpose of transferring the medical cannabinoid products and cannabinoid concen trates to a medical marijuana dispensary are subject to tracking under this section.

(3) On and after the date on which a marijuana grow site becomes subject to tracking under this
section, the person is exempt from the requirements of ORS 475B.816 and the provisions of ORS
475B.810 that relate to ORS 475B.816.

(4) On and after the date on which a marijuana processing site becomes subject to tracking
under this section, the marijuana processing site is exempt from the requirements of ORS 475B.846
and the provisions of ORS 475B.840 that relate to ORS 475B.846.

(5) On and after the date on which a medical marijuana dispensary becomes subject to tracking
under this section, the medical marijuana dispensary is exempt from the requirements of ORS
475B.867 and the provisions of ORS 475B.858 that relate to ORS 475B.867.

(6) The commission may conduct inspections and investigations of alleged violations of ORS 475B.785 to 475B.949 about which the commission obtains knowledge as a result of performing the commission's duties under this section. Notwithstanding ORS 475B.299, the commission may use regulatory specialists, as defined in ORS 471.001, to conduct the inspections and investigations, including inspections and investigations of marijuana grow sites located at a primary residence.

(7) Notwithstanding ORS 475B.759 and section 17 of this 2018 Act, before making any other 1 2 distribution from the Oregon Marijuana Account established under ORS 475B.759, the Department of Revenue shall first distribute moneys quarterly from the account to the commission for deposit 3 in the Marijuana Control and Regulation Fund established under ORS 475B.296 for purposes of 4 paying administrative, inspection and investigatory costs incurred by the commission under this 5 section, provided that the amount of distributed moneys does not exceed \$1.25 million per quarter. 6 For purposes of estimating the amount of moneys necessary to pay costs incurred under this section, 7 the commission shall establish a formulary based on expected costs for each marijuana grow site, 8 9 marijuana processing site or medical marijuana dispensary that is tracked under this section. The commission shall provide to the Department of Revenue and the Legislative Fiscal Officer before 10 each quarter the estimated amount of moneys necessary to pay costs expected to be incurred under 11 12 this section and the formulary.

13 (8) When imposing a fee on a person responsible for a marijuana grow site, marijuana processing site or medical marijuana dispensary under ORS 475B.810, 475B.840 or 475B.858, the authority shall 14 15 impose an additional fee that is reasonably calculated to pay costs incurred under this section other 16 than costs paid pursuant to subsection (7) of this section. As part of the agreement entered into under subsection (1) of this section, the authority shall transfer fee moneys collected pursuant to 17 18 this subsection to the commission for deposit in the Marijuana Control and Regulation Fund estab-19 lished under ORS 475B.296. Moneys collected pursuant to this subsection and deposited in the 20 Marijuana Control and Regulation Fund are continuously appropriated to the commission for pur-21poses of this section.

22

(9) The authority and the commission may adopt rules as necessary to administer this section.

(10) This section does not apply to a marijuana grow site located at an address where a registry
 identification cardholder produces marijuana and no more than 12 mature marijuana plants and 24
 immature marijuana plants are produced at the address.

- 26
- 27
- 28
- 29 30

31

PROCEEDS FROM WINE, CIDER AND MALT BEVERAGE PRIVILEGE TAX

<u>SECTION 18.</u> (1) No earlier than July 1 and no later than October 1 of the years 2019, 2021 and 2023, the Oregon Liquor Control Commission shall compare:

(a) The revenue estimated to be received pursuant to taxes imposed under ORS chapter
 473 during the immediately preceding biennium in the first estimate under ORS 291.349 after
 the beginning of the immediately preceding biennium; and

(b) The revenue received pursuant to taxes imposed under ORS chapter 473 during the
 immediately preceding biennium.

(2) If the commission determines that the amount specified in subsection (1)(b) of this section exceeds the amount specified in subsection (1)(a) of this section, the commission shall transfer an amount equal to the excess to the Public Employees Retirement Fund established under ORS 238.660. The Public Employees Retirement Board shall credit the amounts transferred to the account established under section 24 (1) of this 2018 Act.

(3) The commission shall retain unreceipted revenue from the taxes imposed under ORS
chapter 473 in an amount necessary to make the transfer required under subsection (2) of
this section. The commission shall make the transfer out of the unreceipted revenue in lieu
of paying the revenue over to the State Treasurer for deposit in the General Fund.

PROCEEDS FROM LOTTERY REVENUES 1 2 SECTION 19. (1) No earlier than July 1 and no later than December 1 of the years 2019, 3 2021 and 2023, the Oregon Department of Administrative Services shall compare: 4 (a) The amount of State Lottery Fund revenues, including unclaimed prizes, estimated 5 to be received in the biennium beginning July 1, 2017, after payment of constitutionally re-6 quired distributions from the fund, in the second estimate under ORS 291.349 after the be-7 ginning of the biennium beginning July 1, 2017; and 8 9 (b) The amount of State Lottery Fund revenues, including unclaimed prizes, received in the biennium immediately preceding the date of the comparison, after payment of constitu-10 tionally required distributions from the fund. 11 12(2) If the Oregon Department of Administrative Services determines that the amount specified in subsection (1)(b) of this section exceeds the amount specified in subsection (1)(a) 13 of this section, an amount equal to the excess shall be transferred from the Administrative 14 15 Services Economic Development Fund established in ORS 461.540 to the Public Employees Retirement Fund established under ORS 238.660. The Public Employees Retirement Board 16 shall credit the amounts transferred to the accounts established under section 24 of this 2018 17 Act. 18 (3) As used in this section, "State Lottery Fund revenues" has the meaning given that 19 term in ORS 291.348. 202122PROCEEDS FROM LAWSUIT SETTLEMENTS 23SECTION 20. If the Department of Justice collects proceeds from the settlement of a 94 lawsuit on behalf of a state agency that are not dedicated by the settlement agreement or 25by law to a specific purpose, the proceeds shall be transferred to the Public Employees Re-2627tirement Fund established under ORS 238.660. The Public Employees Retirement Board shall credit the amounts transferred to the account established under section 24 (1) of this 2018 2829Act. 30 SECTION 21. Section 20 of this 2018 Act applies to proceeds from settlement agreements 31 entered into on or before June 30, 2025. 32**INTEREST FROM UNCLAIMED PROPERTY** 33 34 SECTION 22. (1) On January 1 of each year, the Department of State Lands shall transfer 35from the Common School Fund Account to the Public Employees Retirement Fund estab-36 37 lished under ORS 238.660 all or part of the interest earned in the previous calendar year from the cumulative unclaimed property deposited in the Common School Fund Account under 38 ORS 98.386 to which the state has not taken title, as described in subsection (2) of this sec-39 tion. 40 (2) The amount made available under subsection (1) of this section may not exceed an 41 amount equal to the proceeds from unclaimed property received by the department in the 42 43 previous calendar year, minus: (a) The amount paid for unclaimed property claims under ORS 98.396 in the previous 44 calendar year; 45

A-Eng. SB 1566

(b) The department's investment expenses related to the Common School Fund for the 1 previous calendar year; and 2 (c) Operating expenses that the department is entitled to recover for the previous cal-3 endar year. 4 (3) The Public Employees Retirement Board shall credit the amounts transferred under 5 this section to the account established under section 24 (1) of this 2018 Act. 6 SECTION 23. Section 22 of this 2018 Act is repealed on January 2, 2027. 7 8 9 SIDE ACCOUNTS FOR SCHOOL DISTRICTS, **COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES** 10 11 12SECTION 24. (1) The Public Employees Retirement Board shall establish an account under ORS 238.229 (2) for the moneys transferred to the Public Employees Retirement Fund 13 under sections 10, 12, 13, 15, 17, 18 to 20 and 22 of this 2018 Act. The board shall credit 100 14 15 percent of the moneys transferred to the fund under sections 10, 12, 13, 15, 17, 18, 20 and 22 of this 2018 Act and __ percent of the moneys transferred to the fund under section 19 of this 16 2018 Act to the account to be applied against the liabilities of participating public employers 17 18 that are school districts, as provided in ORS 238.229. 19 (2) The Public Employees Retirement Board shall establish an account under ORS 238.229 (2) for moneys transferred to the Public Employees Retirement Fund under section 19 of this 202018 Act. The board shall credit _ percent of the moneys transferred to the fund under 2122section 19 of this 2018 Act to the account to be applied against the liabilities of participating 23public employers that are community college districts and public universities listed in ORS 352.002, as provided in ORS 238.229. 24 25STUDY BY STATE TREASURER 2627SECTION 25. (1) The State Treasurer shall study the feasibility and prudence of borrow-28 ing moneys currently deposited by state agencies and other state entities into the Oregon 29Short Term Fund created by ORS 293.728 to be redeployed by the Oregon Investment Council 30 31 into investments in the Public Employees Retirement Fund created in ORS 238.660, that would generate a higher rate of return sufficient to repay the borrowing and make supple-32mental deposits targeted at reducing the unfunded actuarial liability of the Public Employees 33 34 Retirement System. The study must include an examination of recent similar actions in 35other states. (2) The State Treasurer shall report to the Legislative Assembly in the manner provided 36 37 in ORS 192.245 on the results of the study performed under subsection (1) of this section no 38 later than September 30, 2019. 39 **REVIEW BY SUPREME COURT** 40 41 SECTION 26. (1) Jurisdiction is conferred upon the Supreme Court to determine in the 42 manner provided by this section whether this 2018 Act violates any provision of the Oregon 43 Constitution or of the United States Constitution. 44

45 (2) A person who is adversely affected by this 2018 Act or who will be adversely affected

A-Eng. SB 1566 by this 2018 Act may institute a proceeding for review by filing with the Supreme Court a 1 petition that meets the following requirements: 2 (a) The petition must be filed within 60 days after the effective date of this 2018 Act. 3 (b) The petition must include the following: 4 (A) A statement of the basis of the challenge; and 5 (B) A statement and supporting affidavit showing how the petitioner is adversely af-6 fected. 7 (3) The petitioner shall serve a copy of the petition by registered or certified mail upon 8 9 the Public Employees Retirement Board, the Attorney General and the Governor. (4) Proceedings for review under this section shall be given priority over all other mat-10 ters before the Supreme Court. 11 12(5) The Supreme Court shall allow public employers participating in the Public Employees 13 Retirement System to intervene in any proceeding under this section. (6)(a) The Supreme Court shall allow members of the Legislative Assembly to intervene 14 15 in any proceeding relating to this 2018 Act. After a member intervenes in a proceeding relating to this 2018 Act, the member has standing to participate in the proceeding even if the 16 member ceases to be a member of the Legislative Assembly. 17 18 (b) A member of the Senate or the House of Representatives who intervenes in or participates in a proceeding under this subsection may not use public funds to pay legal ex-19 penses incurred in intervening in or participating in the proceeding. 20(7) In the event the Supreme Court determines that there are factual issues in the peti-2122tion, the Supreme Court may appoint a special master to hear evidence and to prepare recommended findings of fact. 2324 (8) The Supreme Court may not award attorney fees to a petitioner in a proceeding under this section. 252627CAPTIONS 28SECTION 27. The unit captions used in this 2018 Act are provided only for the conven-29ience of the reader and do not become part of the statutory law of this state or express any 30 31 legislative intent in the enactment of this 2018 Act. 32**EFFECTIVE DATE** 33 34 SECTION 28. This 2018 Act takes effect on the 91st day after the date on which the 2018 35regular session of the Seventy-ninth Legislative Assembly adjourns sine die. 36 37