

A-Engrossed Senate Bill 5702

Ordered by the Senate March 2
Including Senate Amendments dated March 2

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

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.

[Increases amounts authorized for issuance of revenue bonds for biennium.]

Modifies amounts and purposes authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium.

Authorizes issuance of various lottery bonds.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to state financial administration; creating new provisions; amending section 21, chapter 786, Oregon Laws 2013, sections 1, 2 and 3, chapter 570, Oregon Laws 2017, and section 5, chapter 748, Oregon Laws 2017; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 1, chapter 570, Oregon Laws 2017, is amended to read:

Sec. 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds of the state during the 2017-2019 biennium, notwithstanding section 10, chapter 705, Oregon Laws 2013, are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

- (1) Higher Education Coordinating Commission (Art. XI-G):
 - (a) Oregon Institute of Technology, Center for Excellence in Engineering and Technology/Cornett Hall Renovation..... \$ 2,050,000
 - (b) Oregon State University:
 - (A) Quality Foods and Beverage Center \$ 9,100,000
 - (B) Gilkey Hall Renovation \$ 2,050,000
 - (C) **Cascades Academic Building 2**..... \$ **10,215,000**
 - (c) Portland State University,

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

| | | | |
|----|-------------------------------------|----|-------------------|
| 1 | Graduate School of | | |
| 2 | Education Facility | \$ | 36,485,000 |
| 3 | (d) University of Oregon, | | |
| 4 | Campus for Accelerating | | |
| 5 | [<i>Scientific Impact</i> | \$ | 50,620,000] |
| 6 | Scientific Impact | \$ | 70,910,000 |
| 7 | (e) Western Oregon University: | | |
| 8 | (A) Information Technology | | |
| 9 | Center Renovation | \$ | 540,000 |
| 10 | (B) Oregon Military Building | | |
| 11 | Renovation | \$ | 540,000 |
| 12 | (f) Blue Mountain Community | | |
| 13 | College, Facility for | | |
| 14 | Agricultural Resource | | |
| 15 | Management | \$ | 5,115,000 |
| 16 | (g) Chemeketa Community | | |
| 17 | College, Agricultural | | |
| 18 | Complex | \$ | 6,125,000 |
| 19 | (h) Clackamas Community College: | | |
| 20 | (A) DeJardin Building Addition..... | \$ | 8,140,000 |
| 21 | (B) Student Services and | | |
| 22 | Community Commons | \$ | 8,140,000 |
| 23 | (i) Clatsop Community College, | | |
| 24 | Marine Science Center | | |
| 25 | Renovation and Expansion | \$ | 8,135,000 |
| 26 | (j) Columbia Gorge Community | | |
| 27 | College, Middle College | | |
| 28 | Prototype Facility | \$ | 7,400,000 |
| 29 | (k) Lane Community College, | | |
| 30 | Health Care Village Facility..... | \$ | 8,140,000 |
| 31 | (L) Linn-Benton Community | | |
| 32 | College, Student Advising | | |
| 33 | and Campus Safety Center | \$ | 7,635,000 |
| 34 | (m) Mt. Hood Community College, | | |
| 35 | Maywood Park Center | \$ | 8,140,000 |
| 36 | (n) Oregon Coast Community | | |
| 37 | College, Workforce Education | | |
| 38 | and Resiliency Center..... | \$ | 8,140,000 |
| 39 | (o) Portland Community College, | | |
| 40 | Health Technology | | |
| 41 | Building Renovation | \$ | 8,140,000 |
| 42 | (p) Rogue Community College, | | |
| 43 | Elk Building Science Facility | | |
| 44 | Renovation and Expansion | \$ | 6,125,000 |
| 45 | (q) Southwestern Oregon | | |

| | | | |
|----|--|-----------|-------------------|
| 1 | Community College, | | |
| 2 | Dellwood Hall Remodel and | | |
| 3 | Expansion..... | \$ | 2,805,000 |
| 4 | (r) Treasure Valley Community | | |
| 5 | College, Workforce | | |
| 6 | Vocational Center..... | \$ | 2,865,000 |
| 7 | (s) Umpqua Community College, | | |
| 8 | Industrial Technology | | |
| 9 | Building..... | \$ | 8,140,000 |
| 10 | (2) Department of Environmental | | |
| 11 | Quality (Art. XI-H)..... | \$ | 10,300,000 |
| 12 | (3) Oregon Business Development | | |
| 13 | Department (Art. XI-M)..... | \$ | 101,180,000 |
| 14 | (4) Oregon Business Development | | |
| 15 | Department (Art. XI-N)..... | \$ | 20,430,000 |
| 16 | (5) Department of Education | | |
| 17 | (Art. XI-P)..... | \$ | 100,985,000 |
| 18 | (6) Oregon Department of | | |
| 19 | Administrative | | |
| 20 | Services (Art. XI-Q): | | |
| 21 | (a) Department of Corrections: | | |
| 22 | (A) Capital Improvements and | | |
| 23 | Renewal..... | \$ | 26,770,000 |
| 24 | (B) Technology Infrastructure | \$ | 12,445,000 |
| 25 | (b) Department of Education, | | |
| 26 | Oregon School for the Deaf | | |
| 27 | Facility Improvements | \$ | 4,365,000 |
| 28 | (c) Department of Environmental | | |
| 29 | Quality, Environmental Data | | |
| 30 | Management System..... | \$ | 5,070,000 |
| 31 | [(c)] (d) Department of Human | | |
| 32 | Services, ONE Integrated | | |
| 33 | Eligibility and Medicaid | | |
| 34 | Eligibility System..... | \$ | 34,045,000 |
| 35 | [(d)] (e) Department of Justice, | | |
| 36 | Child Support Enforcement | | |
| 37 | [Automated System..... | \$ | 16,585,000] |
| 38 | Automated System..... | \$ | 19,400,000 |
| 39 | [(e)] (f) Department of Revenue, | | |
| 40 | Core Tax Revenue Systems | | |
| 41 | Replacement | \$ | 4,855,000 |
| 42 | [(f)] (g) Department of Veterans' | | |
| 43 | Affairs: | | |
| 44 | (A) Lebanon Veteran's Home | | |
| 45 | Parking Lot | \$ | 1,345,000 |

| | | | |
|----|--------------------------------------|----|-------------------|
| 1 | (B) The Dalles Veterans' Home | | |
| 2 | Capital Improvements | \$ | 1,195,000 |
| 3 | (C) Roseburg Veterans' Home..... | \$ | 10,720,000 |
| 4 | [(g)] (h) Housing and Community | | |
| 5 | Services Department, Local | | |
| 6 | Innovation and Fast Track | | |
| 7 | Housing Program | \$ | 81,090,000 |
| 8 | [(h)] (i) Higher Education | | |
| 9 | Coordinating Commission: | | |
| 10 | (A) Public Universities Capital | | |
| 11 | Improvement and Renewal..... | \$ | 50,620,000 |
| 12 | (B) Eastern Oregon University, | | |
| 13 | Loso Hall Renovation | \$ | 5,575,000 |
| 14 | (C) Oregon Institute of | | |
| 15 | Technology: | | |
| 16 | (i) Center for Excellence in | | |
| 17 | Engineering and Technology/ | | |
| 18 | Cornett Hall Renovation..... | \$ | 38,475,000 |
| 19 | (ii) Oregon Manufacturing | | |
| 20 | Innovation Center, Research | | |
| 21 | and Development Facility | \$ | 3,940,000 |
| 22 | (D) Oregon State University: | | |
| 23 | (i) Cordley Hall Renovation..... | \$ | 15,250,000 |
| 24 | (ii) Fairbanks Hall Renovation..... | \$ | 11,220,000 |
| 25 | (iii) Gilkey Hall Renovation | \$ | 1,045,000 |
| 26 | (iv) Cascades Expansion Site | | |
| 27 | Reclamation | \$ | 9,145,000 |
| 28 | (v) Cascades Academic | | |
| 29 | Building 2 | \$ | 29,410,000 |
| 30 | (E) Portland State University, | | |
| 31 | Graduate School of | | |
| 32 | Education Facility | \$ | 9,145,000 |
| 33 | (F) Southern Oregon | | |
| 34 | University[, <i>Central Hall</i>] | | |
| 35 | [<i>Capital Improvements</i>]: | | |
| 36 | (i) Central Hall Capital | | |
| 37 | Improvements | \$ | 6,125,000 |
| 38 | (ii) Boiler Replacement | \$ | 2,855,000 |
| 39 | (G) Western Oregon University: | | |
| 40 | (i) Information Technology | | |
| 41 | Center Renovation | \$ | 5,070,000 |
| 42 | (ii) Oregon Military Building | | |
| 43 | Renovation | \$ | 7,335,000 |
| 44 | [(i)] (j) Legislative Administration | | |
| 45 | Committee, Capitol | | |

| | | | |
|----|---------------------------------------|-----------|-------------------|
| 1 | Accessibility, Maintenance, | | |
| 2 | [and Safety | \$ | 13,960,000] |
| 3 | and Safety | \$ | 23,660,000 |
| 4 | [(j)] (k) Oregon Judicial Department: | | |
| 5 | (A) Lane County Courthouse | \$ | 5,115,000 |
| 6 | (B) Multnomah County | | |
| 7 | Courthouse..... | \$ | 102,495,000 |
| 8 | (C) Oregon Supreme Court | | |
| 9 | Building Renovation | \$ | 6,125,000 |
| 10 | [(k)] (L) Oregon Military Department: | | |
| 11 | (A) Grants Pass Armory | | |
| 12 | Service Life Extension..... | \$ | 3,330,000 |
| 13 | (B) Regional Armory Emergency | | |
| 14 | Enhancement Project | \$ | 8,675,000 |
| 15 | (C) Regional Training Institute | \$ | 6,630,000 |
| 16 | (D) Resiliency Grant Fund..... | \$ | 5,070,000 |
| 17 | (E) Youth Challenge Armory | \$ | 5,095,000 |
| 18 | [(L)] (m) Oregon Youth Authority: | | |
| 19 | (A) Capital Improvements | \$ | 17,450,000 |
| 20 | (B) MacLaren West Cottages | | |
| 21 | Renovation..... | \$ | 15,450,000 |
| 22 | (C) Rogue Valley Facility | | |
| 23 | Improvements | \$ | 7,095,000 |
| 24 | [(m)] (n) State Department of Fish | | |
| 25 | and Wildlife | \$ | 10,215,000 |
| 26 | [(n)] (o) State Forestry Department, | | |
| 27 | Toledo Facility Replacement..... | \$ | 774,225 |
| 28 | <u>Dedicated Fund Obligations</u> | | |
| 29 | (7) Department of Veterans' | | |
| 30 | Affairs (Art. XI-A)..... | \$ | 120,000,000 |
| 31 | (8) Higher Education Coordinating | | |
| 32 | Commission (Art. XI-F(1): | | |
| 33 | (a) Portland State University: | | |
| 34 | (A) Land Acquisition for | | |
| 35 | University Center Building..... | \$ | 15,260,000 |
| 36 | (B) 12th & Market | | |
| 37 | Residence Hall..... | \$ | 54,225,000 |
| 38 | (C) Graduate School of | | |
| 39 | Education Facility | \$ | 6,080,000 |
| 40 | (D) Corbett Building Purchase..... | \$ | 5,100,000 |
| 41 | (b) Oregon Institute of | | |
| 42 | Technology, Student | | |
| 43 | Recreation Center | \$ | 5,115,000 |
| 44 | (c) Eastern Oregon University, | | |
| 45 | Track and Field Facilities | | |

| | | | |
|----|---------------------------------------|-----------|----------------------|
| 1 | [Restoration..... | \$ | 790,000] |
| 2 | Restoration | \$ | 1,180,000 |
| 3 | (d) Western Oregon University, | | |
| 4 | Natural Sciences Building | | |
| 5 | Renovation | \$ | 3,560,000 |
| 6 | (9) Department of Environmental | | |
| 7 | Quality (Art. XI-H)..... | \$ | 10,000,000 |
| 8 | (10) Housing and Community | | |
| 9 | Services Department | | |
| 10 | (Art. XI-I(2))..... | \$ | 25,000,000 |
| 11 | (11) Oregon Department of | | |
| 12 | Administrative Services | | |
| 13 | (Art. XI-Q): | | |
| 14 | (a) Portland State Office | | |
| 15 | Building Improvements | \$ | 13,360,000 |
| 16 | (b) State Forestry Department, | | |
| 17 | Toledo Facility Replacement..... | \$ | 1,075,775 |
| 18 | <u>Total General Obligation</u> | | |
| 19 | [Bonds..... | \$ | 1,257,310,000] |
| 20 | Bonds | \$ | 1,341,615,000 |

SECTION 2. Section 2, chapter 570, Oregon Laws 2017, is amended to read:

Sec. 2. The amounts authorized, as provided by ORS 286A.035, for issuance of revenue bonds of the state during the 2017-2019 biennium are as follows:

| | | | |
|----|------------------------------------|-----------|--------------------|
| 25 | REVENUE BONDS | | |
| 26 | <u>Direct Revenue Bonds</u> | | |
| 27 | Housing and Community | | |
| 28 | [Services Department..... | \$ | 300,000,000] |
| 29 | Services Department..... | \$ | 400,000,000 |
| 30 | Oregon Business Development | | |
| 31 | Department | \$ | 30,000,000 |
| 32 | Oregon Department of | | |
| 33 | Administrative Services, | | |
| 34 | [Lottery Revenue Bonds | \$ | 199,860,000] |
| 35 | Lottery Revenue Bonds | \$ | 221,025,000 |
| 36 | <u>Total Direct Revenue</u> | | |
| 37 | [Bonds..... | \$ | 529,860,000] |
| 38 | Bonds | \$ | 651,025,000 |
| 39 | <u>Pass-Through Revenue Bonds</u> | | |
| 40 | Oregon Business Development | | |
| 41 | Department, Industrial | | |
| 42 | Development Bonds | \$ | 400,000,000 |
| 43 | Oregon Business Development | | |
| 44 | Department, Beginning and | | |
| 45 | Expanding Farmer Loan | | |

| | | |
|----|-----------------------------------|-------------------------|
| 1 | Program..... | \$ 10,000,000 |
| 2 | Oregon Facilities Authority | \$ 1,350,000,000 |
| 3 | Housing and Community | |
| 4 | [Services Department..... | \$ 325,000,000] |
| 5 | Services Department..... | \$ 600,000,000 |
| 6 | <u>Total Pass-Through Revenue</u> | |
| 7 | [Bonds..... | \$ 2,085,000,000] |
| 8 | Bonds | \$ 2,360,000,000 |
| 9 | [Total Revenue Bonds..... | \$ 2,614,860,000] |
| 10 | Total Revenue Bonds | \$ 3,011,025,000 |

11 **SECTION 3.** Section 3, chapter 570, Oregon Laws 2017, is amended to read:

12 **Sec. 3.** The amount authorized, as provided by ORS 286A.035, for issuance of certificates of
 13 participation and other financing agreements of the state during the 2017-2019 biennium for the
 14 Oregon Department of Administrative Services is [*\$110,985,000*] **\$127,985,000.**

15 **SECTION 4.** Section 5, chapter 748, Oregon Laws 2017, is amended to read:

16 **Sec. 5.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department
 17 of Administrative Services, after the department consults with the Water Resources Department, the
 18 State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an
 19 amount that produces [*\$20,700,000*] **\$25,850,000** in net proceeds and interest earnings for the pur-
 20 poses described in subsection (2) of this section, plus an additional amount estimated by the State
 21 Treasurer to be necessary to pay bond-related costs.

22 (2) Net proceeds of lottery bonds issued under this section must be transferred to the Water
 23 Resources Department for deposit in the Water Supply Development Account established in ORS
 24 541.656, in an amount sufficient to provide:

25 (a) \$15 million in net proceeds and interest earnings to provide grants or loans to evaluate, plan
 26 and develop in-stream and out-of-stream statewide water development projects.

27 (b) \$2.5 million in net proceeds and interest earnings to the City of Carlton to reduce
 28 sedimentation and increase water storage capacity at the Panther Creek Reservoir.

29 (c) [*\$2*] **\$7.15** million in net proceeds and interest earnings to the City of Carlton to replace the
 30 city's finished water supply line and reduce water loss.

31 (d) \$1.2 million in net proceeds and interest earnings to the Santiam Water Control District to
 32 complete the Mill Creek Corporate Center irrigation conversion and efficiency project.

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

36 (a) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems en-
 37 hances community development and supports Oregon's economic growth.

38 (b) Assisting local governments to mitigate losses resulting from reduced water supply for irri-
 39 gation and retirement of water rights will enhance community efforts to facilitate and promote
 40 economic growth.

41 **SECTION 5.** Section 21, chapter 786, Oregon Laws 2013, is amended to read:

42 **Sec. 21.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department
 43 of Administrative Services, after the department consults with the Department of Transportation and
 44 the Oregon International Port of Coos Bay, the State Treasurer is authorized to issue lottery bonds
 45 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$10 million in net proceeds and

1 interest earnings for the purpose described in subsection (2) of this section, plus an additional
2 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

3 (2) Net proceeds of lottery bonds issued under this section [*in an amount sufficient to provide*
4 *\$10 million in net proceeds and interest earnings*] must be transferred to the Department of Trans-
5 portation for deposit in the DOT Economic Development Distributions Fund established in section
6 24 [*of this 2013 Act*], **chapter 786, Oregon Laws 2013, in an amount sufficient to provide:**

7 (a) **\$7 million in net proceeds and interest earnings** for distribution to the Oregon Interna-
8 tional Port of Coos Bay for the purpose of acquiring, constructing or improving the Coos Bay rail
9 link, as defined in ORS 777.915.

10 (b) **\$3 million in net proceeds and interest earnings for distribution to the Oregon Inter-**
11 **national Port of Coos Bay for acquisition of the Coos Bay rail link rolling stock.**

12 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further
13 economic development, finance public education or restore and protect parks, beaches, watersheds
14 and native fish and wildlife, and is authorized based on the finding that improvements in **and con-**
15 **tinued operation of** multimodal transportation systems are necessary to facilitate the flow of goods
16 and services to national and international markets through the deep-water port at Coos Bay.

17 **SECTION 6. (1) For the biennium ending June 30, 2019, at the request of the Oregon**
18 **Department of Administrative Services, after the department consults with De Paul Treat-**
19 **ment Centers, the State Treasurer is authorized to issue lottery bonds pursuant to ORS**
20 **286A.560 to 286A.585 in an amount that produces \$2 million in net proceeds and interest**
21 **earnings for the purposes described in subsection (2) of this section, plus an additional**
22 **amount estimated by the State Treasurer to be necessary to pay bond-related costs.**

23 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
24 provide \$2 million in net proceeds and interest earnings must be transferred to the depart-
25 ment for deposit in the ODAS Economic Development Distributions Fund established under
26 ORS 461.553 for distribution to De Paul Treatment Centers for a new treatment center fa-
27 cility.

28 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
29 further economic development, finance public education or restore and protect parks,
30 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that
31 individuals increase their potential for self-sufficiency, increase economic productivity and
32 use fewer public resources when they have access to addiction treatment programs and
33 services.

34 **SECTION 7. (1) For the biennium ending June 30, 2019, at the request of the Oregon**
35 **Department of Administrative Services, after the department consults with Trillium Family**
36 **Services, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560**
37 **to 286A.585 in an amount that produces \$3 million in net proceeds and interest earnings for**
38 **the purposes described in subsection (2) of this section, plus an additional amount estimated**
39 **by the State Treasurer to be necessary to pay bond-related costs.**

40 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
41 provide \$3 million in net proceeds and interest earnings must be transferred to the depart-
42 ment for deposit in the ODAS Economic Development Distributions Fund established under
43 ORS 461.553 for distribution to Trillium Family Services for construction of a secure adoles-
44 cent inpatient facility at the Children's Farm Home Corvallis campus.

45 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,

1 further economic development, finance public education or restore and protect parks,
2 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that
3 expanding the Children's Farm Home will create jobs in construction and health care.

4 **SECTION 8.** (1) For the biennium ending June 30, 2019, at the request of the Oregon
5 Department of Administrative Services, after the department consults with the Higher Edu-
6 cation Coordinating Commission, the State Treasurer is authorized to issue lottery bonds
7 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$9 million in net proceeds
8 and interest earnings for the purposes described in subsection (2) of this section, plus an
9 additional amount estimated by the State Treasurer to be necessary to pay bond-related
10 costs.

11 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
12 provide \$9 million in net proceeds and interest earnings must be transferred to the Higher
13 Education Coordinating Commission for deposit in the Public University Fund established
14 under ORS 352.450, segregated in a distinct subaccount to allow necessary compliance with
15 the Internal Revenue Code, for distribution to Eastern Oregon University to construct a new
16 field house facility.

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

21 (a) A new facility is needed in order for the university to have adequate instructional and
22 athletic space.

23 (b) Having adequate university buildings and facilities is essential to Oregon's healthy
24 economic growth.

25 (c) The field house facility will be used as a venue for regional events, providing signif-
26 icant economic benefits to local communities.

27 (d) Oregon manufactured wood products, including cross-laminated timber, will be uti-
28 lized in the construction of the field house facility, supporting Oregon's wood products
29 manufacturing industry.

30 **SECTION 9.** This 2018 Act being necessary for the immediate preservation of the public
31 peace, health and safety, an emergency is declared to exist, and this 2018 Act takes effect
32 on its passage.