

**Enrolled**  
**House Bill 2054**

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Business Development Department)

CHAPTER .....

AN ACT

Relating to innovation-based economic development; creating new provisions; amending ORS 276A.253, 284.701, 284.706, 284.711, 284.715, 284.720, 284.740, 284.742, 284.746, 284.747, 293.115 and 293.731; repealing ORS 284.725, 284.730 and 284.735; and declaring an emergency.

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

**SECTION 1.** ORS 284.701 is amended to read:

284.701. As used in ORS 284.701 to 284.749:

[(1) "*Clean energy*" means a technology, product, process or innovation that involves conservation of natural resources, solar energy, green building products and services, biofuels, biomass energy, bio-based products or other renewable and sustainable energy.]

(1) "**Equity investment**" means any investment not prohibited under Article XI, section 6, of the Oregon Constitution.

(2) "Innovation-based economic development" includes, but is not limited to, a technology, product, process or innovation that:

- (a) Derives from and supports innovation and research;
- (b) Promotes Oregon's market capacities and competitive advantages;
- (c) Involves technology-based innovation;
- (d) Facilitates the creation of new products, processes and services that retain and create high-wage jobs;

(e) Involves the establishment of partnerships between and collaboration with research institutions, the private sector and public entities; **and**

(f) Endeavors to transfer innovative technologies to the private sector or to commercialize innovative research and development[; *and*].

[(g) *Includes, but is not limited to, clean energy and clean energy economic development.*]

(3) "Oregon growth business" means:

(a) An individual, group of individuals or private sector business entity, including but not limited to a partnership, limited liability company, corporation, firm, association or other business entity, that engages in business that furthers innovation-based economic development, that has the capacity, upon obtaining appropriate capital, to generate significant high-skill, high-wage employment in Oregon and that conducts business in Oregon; or

(b) An emerging growth business consisting of an individual or group of individuals or a new or small company, including but not limited to any new or small partnership, limited liability company, corporation, firm, association or other business entity, that has the capacity, upon obtaining appropriate capital, to generate significant high-skill, high-wage employment.

(4) "Public entity" means any agency of the federal or state government, county, city, town, public corporation or political subdivision in this state.

(5) "Research institution" means:

(a) A community college as defined in ORS 341.005;

(b) A public university listed in ORS 352.002;

(c) The Oregon Health and Science University public corporation [*created*] **established** under ORS 353.020;

(d) An Oregon-based, generally accredited, not-for-profit private institution of higher education;

(e) A federal research laboratory conducting research in Oregon;

(f) A private not-for-profit research institution located in Oregon;

(g) An institution for higher education as defined in ORS 289.005; or

(h) A private institution of higher education located in Oregon.

(6) "Traded sector" has the meaning given that term in ORS 285A.010.

**SECTION 2.** ORS 284.706 is amended to read:

284.706. (1) There is created the Oregon Innovation Council consisting of the following voting members:

(a) The Governor or the Governor's designated representative, who shall be chairperson of the council.

(b) Seven members appointed by the Governor who are experienced entrepreneurs or investors or are engaged in the operations of Oregon traded sector industries or Oregon growth businesses.

[*c*] *One member appointed by the Governor who is a representative of an Oregon-based, generally accredited, not-for-profit private institution of higher education.*]

[*d*] **(c)** [*One member*] **Two members** appointed by the Governor who [*is*] **represent Oregon-based higher education. Members may include** a representative of an Oregon-based, generally accredited community college [*or*], **a public university listed in ORS 352.002, Oregon Health and Science University or an Oregon-based, generally accredited, not-for-profit private institution of higher education.**

[*e*] **(d)** A member of the Oregon Growth Board, appointed by the board, who is experienced in making direct investments in new growth-based companies.

[*f*] **(e)** A private sector member of the State Workforce and Talent Development Board.

[*g*] **(f)** The Director [*or an executive officer*] of the Oregon Business Development Department **or a designee of the director.**

[*h*] **(g)** The executive director of the Higher Education Coordinating Commission.

[*i*] **(h)** The State Treasurer.

(2)(a) The Speaker of the House of Representatives shall appoint two members to the council who are members of the House of Representatives.

(b) The President of the Senate shall appoint two members to the council who are members of the Senate.

(c) Members of the Legislative Assembly appointed to the council are nonvoting members and may act in an advisory capacity only.

(3) The presiding officer of the Oregon Business Development Commission shall serve as an ex officio, nonvoting member of the council.

(4) The term of office of each appointed voting member of the council is [*two*] **three** years, but an appointed member serves at the pleasure of the appointing authority. Before the expiration of the term of an appointed voting member, the appointing authority shall appoint a successor whose term begins on July 1 next following. An appointed member is eligible for reappointment for [*one additional term*] **two additional terms**. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the remainder of the unexpired term.

(5) A majority of the [*voting members*] **actual membership** of the council **at the time of a meeting** constitutes a quorum for the transaction of business.

(6) Official action by the council requires the approval of a majority of the [*voting members*] **actual membership** of the council **at the time of the meeting**.

(7) The council shall meet at least four times per fiscal year at a place, day and time determined by the chairperson. The council may also meet at other times and places specified by a call of the chairperson or by written request of a majority of the voting members of the council.

(8) The council may adopt rules necessary for the operation of the council.

(9) The council shall establish an audit [*and accountability*] committee that shall monitor performance of council contracts and [*benchmark Oregon's performance against nationally accepted innovation metrics*] **of any grant agreement for an amount in excess of \$150,000.**

(10) The council may establish other committees and delegate to the committees duties as the council considers desirable.

(11) The Oregon Business Development Department shall provide staff support to the council.

(12) Members of the council who are members of the Legislative Assembly are entitled to compensation and expense reimbursement as provided in ORS 171.072.

(13) Members of the council who are not members of the Legislative Assembly are entitled to compensation and expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members of the council who are public officers shall be paid out of funds appropriated to the public agency that employs the member. Claims for compensation and expenses of members of the council who are not public officers shall be paid out of funds appropriated to the Oregon Business Development Department for that purpose.

(14) All agencies of state government, as defined in ORS 174.111, are directed to assist the council in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the council consider necessary to perform their duties.

**SECTION 3.** ORS 284.711 is amended to read:

284.711. (1) The Oregon Innovation Council shall provide advice to the Governor, the Legislative Assembly, research institutions, public agencies that [*provide*] **support** economic development and the private sector on issues related to:

(a) Promoting the commercialization of research from the private sector, universities and colleges, including investments in signature research centers where Oregon has a distinct or emerging advantage;

(b) Stimulating seed and start-up capital investment and entrepreneurial capacity that will promote economic growth in Oregon traded sector industries or Oregon growth businesses; and

(c) Developing the entrepreneurial and management capacity critical to the competitiveness of Oregon traded sector industries or Oregon growth businesses in rapidly growing global markets.

(2) The council, the Oregon Business Development Commission, the Higher Education Coordinating Commission and the office of the State Treasurer shall coordinate policies and programs related to the duties of the council.

(3) Based on the state plan developed under ORS 284.715, **on grants, loans and equity investments made under ORS 284.742 and on other relevant data and information**, and subject to the approval of the Oregon Business Development Department, the council may distribute moneys in the Oregon Innovation Fund by grant [*or*], loan **or equity investment** or pursuant to contracts with research institutions, the private sector and public entities.

(4) The council may assess and charge fees for making grants, [*or*] loans **or equity investments** under ORS 284.742.

**SECTION 4.** ORS 284.715 is amended to read:

284.715. (1) The Oregon Innovation Council shall develop a state plan for innovation and economic competitiveness. The plan shall include policy and program recommendations to:

(a) Identify and expand the state's industry and core research strengths related to Oregon traded sector industries, Oregon growth businesses and higher education that have the highest potential for commercialization and economic impact;

(b) Enhance the entrepreneurial ecosystem that promotes the development and growth of new innovation-based businesses and assists existing businesses in developing new products;

(c) Stimulate seed and start-up capital investment and entrepreneurial capacity that will promote innovation-based economic development in Oregon traded sector industries or Oregon growth businesses; and

(d) Develop an innovation [*and entrepreneurial*] index that benchmarks Oregon to national averages [*and other states, and that tracks two-year and five-year progress toward these performance metrics*] **on a variety of innovation metrics.**

(2) The council shall complete the plan [*by December 31, 2015, and update the plan*] every biennium.

(3) Each [*year*] **biennium**, the council shall report to the Governor and the Legislative Assembly about the plan.

**SECTION 5.** ORS 284.720 is amended to read:

284.720. (1) There is created within the State Treasury, separate and distinct from the General Fund, the Oregon Innovation Fund. Interest earned by the Oregon Innovation Fund shall be credited to the fund.

(2) Moneys in the Oregon Innovation Fund shall consist of:

(a) Amounts donated to the fund;

(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;

(c) Investment earnings received on moneys in the fund; and

(d) Other amounts deposited in the fund from any source.

(3) Moneys in the fund are continuously appropriated to the Oregon Innovation Council for the purposes of making grants [*and*], loans **and equity investments** under ORS 284.742 and, **subject to the approval of the Oregon Business Development Department**, entering into contracts **and grant agreements** to carry out the recommendations included in the state plan developed under ORS 284.715.

(4) The council may establish accounts and subaccounts within the fund when the council determines that accounts or subaccounts are necessary or desirable and may credit any interest or income derived from moneys in the fund to any account or subaccount in the fund.

(5) The council may use moneys in the fund to pay the administrative costs associated with the fund and with making grants, loans, **equity investments** and other distributions of moneys from the fund.

**SECTION 6.** ORS 284.740 is amended to read:

284.740. (1) The Oregon Innovation Council may establish one or more signature research centers to maximize collaborative ventures among research institutions, public entities and Oregon growth businesses that will capitalize on opportunities to obtain private and federal funding for the research and development of innovation-based economic development.

(2) The council may contract with [*a nonprofit entity*] **nonprofit or other entities** for the administration of [*the*] **one or more** centers.

(3) Signature research centers, Oregon growth businesses and research institutions contracting to engage in innovation-based economic development, to conduct research within a signature research center or to engage in other business endeavors, as defined by the Oregon Innovation Council by rule, may receive grants and loans from moneys in the Oregon Innovation Fund created under ORS 284.720 [*or the Oregon Commercialized Research Fund created under ORS 284.725*].

**SECTION 7.** ORS 284.742 is amended to read:

284.742. (1) Subject to the approval of the Oregon Business Development Department, the Oregon Innovation Council may make grants [*and*], loans **and equity investments** from the Oregon Innovation Fund created under ORS 284.720 to fund proposals that have as their principal objectives:

(a) The establishment of partnerships between, and collaborations with, research institutions and Oregon growth businesses for innovation-based economic development; or

(b) The transfer of innovation-based economic development technology to the private sector or the commercialization of innovation-based economic development research and [*related*] development in Oregon.

(2)(a) The council may contract with one or more management companies to manage equity investments for purposes of this section and the programs funded by the Oregon Innovation Fund created under ORS 284.720.

(b) A contract entered into under this subsection may be:

(A) A partnership agreement under which the council is the limited partner and the management company is the general partner; or

(B) Another form of payment or profit-sharing arrangement under which the council may receive payment or another form of return in exchange for the council's investment.

(c) A contract entered into under this subsection shall require any management company managing investments pursuant to this subsection to:

(A) Manage the investments subject to the policies and procedures and investment directives and strategies of the council or, if requested by the council, the Oregon Growth Board, with the care, skill and diligence that a prudent investor acting in a similar capacity and familiar with such investments would use in managing the investments; and

(B) Invest in Oregon an amount that is at least equal to the amount of the principal transferred from the Oregon Innovation Fund to the management company for investment.

[(2)(a)] (3)(a) To qualify for a grant [or], loan or equity investment under subsection (1) of this section, a proposal must be submitted to the Oregon Innovation Council in the manner and with a fee as may be prescribed by rule.

(b) [All proposals for funding under subsection (1) of this section must establish return on investment criteria and performance measures as prescribed by rule.] All proposals funded under subsection (1) of this section must include performance metrics or reporting requirements or both, as prescribed by rule.

[(3)] (4) [The Oregon Innovation Council shall make recommendations to the department for rules to be adopted by the department to administer the provisions of this section.] The Oregon Business Development Department may adopt rules to implement programs recommended by the council to administer the provisions of this section or for other activities recommended by the council to promote innovation-based economic development.

**SECTION 8. ORS 284.725, 284.730 and 284.735 are repealed.**

**SECTION 9.** ORS 293.115 is amended to read:

293.115. The following moneys shall be separate and distinct from the General Fund:

(1) Moneys paid into the State Treasury for fiduciary purposes and moneys that are in trust funds, as defined in ORS 291.002.

(2) Moneys by law directed and required to be placed by the State Treasurer to the credit of:

(a) The Agricultural College Fund principal and the interest accruing from the investment thereof.

(b) The Burbank Trust Fund and the interest accruing from the investment thereof.

(c) The Common School Fund and the interest accruing from the investment thereof.

(d) The Industrial Accident Fund under ORS 656.632 and the interest accruing from the investment thereof.

(e) The Consumer and Business Services Fund under ORS 705.145 and the interest accruing from the investment thereof.

(f) The Workers' Benefit Fund created in ORS 656.605 and the interest accruing from the investment thereof.

(g) The University of Oregon Villard Endowment Interest Fund.

[(h) The Oregon Commercialized Research Fund created by ORS 284.725 and the interest accruing from the investment thereof.]

[(i)] (h) The Oregon Innovation Fund created by ORS 284.720 and the interest accruing from the investment thereof.

(3) All sums received by the state from the federal government from forest reserves, rentals, sales of timber and other sources from forest reserves, under ORS 293.560 and the interest accruing from the investment thereof.

(4) All sums received from the five percentum of sales of public lands and apportioned under ORS 272.085 and the interest accruing from the investment thereof.

(5) All sums received from the federal government under ORS 293.565 to 293.575 under **the** Mineral Leasing Act, **the** federal Flood Control Act and the Taylor Grazing Act and the interest accruing from the investment thereof.

(6) Any other funds or accounts created by law that are not specifically established in the law creating them as funds or accounts in the General Fund.

**SECTION 10.** ORS 293.731 is amended to read:

293.731. Subject to the objective set forth in ORS 293.721 and the standards set forth in ORS 293.726, the Oregon Investment Council shall formulate policies for the investment and reinvestment of moneys in the investment funds and the acquisition, retention, management and disposition of investments of the investment funds. The council, from time to time, shall review those policies and make changes therein as it considers necessary or desirable. The council may formulate separate policies for any fund included in the investment funds. This section does not apply to the Oregon Growth Account, the Oregon Growth Fund, the Oregon Growth Board, [*the Oregon Commercialized Research Fund,*] the Oregon Innovation Fund or the Oregon Innovation Council.

**SECTION 11.** ORS 276A.253 is amended to read:

276A.253. (1)(a) The State Chief Information Officer shall maintain and make available an Oregon transparency website. The website must allow any person to view information that is a public record and is not exempt from disclosure under ORS 192.311 to 192.478, including but not limited to information described in subsection (3) of this section. The State Chief Information Officer shall provide on the home page of the website a method for users to offer suggestions regarding the form or content of the website.

(b) The Oregon Department of Administrative Services shall assist the State Chief Information Officer in performing duties under paragraph (a) of this subsection to the extent the State Chief Information Officer deems the assistance necessary.

(2) State agencies and education service districts, to the extent practicable and subject to laws relating to confidentiality, when at no additional cost, using existing data and existing resources of the state agency or education service district and without reallocation of resources, shall:

(a) Furnish information to the Oregon transparency website by posting reports and providing links to existing information system applications in accordance with standards that the State Chief Information Officer establishes; and

(b) Provide the information in the format and manner that the State Chief Information Officer requires.

(3) To the extent practicable and subject to laws relating to confidentiality, when at no additional cost, using existing data and existing resources of the state agency or education service district and without reallocation of resources, the Oregon transparency website must contain information about each state agency and education service district, including but not limited to:

(a) Annual revenues of state agencies and education service districts;

(b) Annual expenditures of state agencies and education service districts;

(c) Annual human resources expenses, including compensation, of state agencies and education service districts;

(d) Annual tax expenditures of state agencies, including, when possible, the identity of the recipients of each tax expenditure;

(e) For each state agency, a description of the percentage of expenditures made in this state and the percentage of expenditures made outside this state under all contracts for goods or services the state agency enters into during each biennium;

(f) A prominently placed graphic representation of the primary funding categories and approximate number of individuals that the state agency or the education service district serves;

(g) A description of the mission, function and program categories of the state agency or education service district;

(h) A copy of any audit report that the Secretary of State issues for the state agency or the education service district;

(i) The local service plans of the education service districts;

(j) A copy of each report required by statute for education service districts; and

(k) A copy of all notices of public meetings of the education service districts.

(4) In addition to the information described in subsection (3) of this section:

(a) The State Chief Information Officer shall post on the Oregon transparency website notices of public meetings the state agency must provide under ORS 192.640. If the state agency maintains a website where minutes or summaries of the public meetings are available, the state agency shall provide the State Chief Information Officer with the link to the state agency website for posting on the Oregon transparency website.

(b) The State Chief Information Officer shall post on the Oregon transparency website a link for the website that the Secretary of State maintains for rules that the state agency adopts. If the state agency maintains a website where the state agency posts the rules, or where any information relating to the rules of the agency is posted, the state agency shall provide the State Chief Information Officer with the link to the website for posting on the Oregon transparency website.

(c) The State Chief Information Officer shall provide links on the Oregon transparency website for information that the State Chief Information Officer receives concerning contracts and subcontracts that a state agency or education service district enters into, to the extent that disclosing the information is allowed by law and the information is already available on websites that the state agency or education service district maintains. To the extent available, the information to which the State Chief Information Officer links under this section must include:

(A) Information on professional, personal and material contracts;

(B) The date of each contract and the amount payable under the contract;

(C) The period during which the contract is or was in effect; and

(D) The names and addresses of vendors.

(d) The State Chief Information Officer shall provide an economic development section on the Oregon transparency website for posting of information submitted to the State Chief Information Officer by state agencies responsible for administering specific economic development programs. The section shall include, but not be limited to, the following information, if it is already collected or available within an existing database maintained by the state agency in the course of administering the economic development program:

(A) The names of filmmakers or companies that have received reimbursements from the Oregon Production Investment Fund under ORS 284.368 and the amount of each reimbursement;

(B) The amount of revenue bonds issued under ORS 285A.430 for the Beginning and Expanding Farmer Loan Program, the names of persons who received loans under the program and the amount of the loan;

(C) The names of persons who received grants, [or] loans **or equity investments** from the Oregon Innovation Council under ORS [284.735 or] 284.742 and the purpose and amount of the grant, [or] loan **or equity investment**;

(D) Copies of, or links to, annual reports required to be filed under ORS 285C.615 under the strategic investment program;

(E) Copies of, or links to, annual certifications required to be filed under ORS 285C.506 for the business development income tax exemption; and

(F) Information required to be posted on the Oregon transparency website under ORS 276A.256.

(e) The information reported under paragraph (d) of this subsection:

(A) May not include proprietary information; and

(B) Shall be provided to the State Chief Information Officer by the state agency in the format and manner required by the State Chief Information Officer.

(f) The State Chief Information Officer shall post on the Oregon transparency website information describing the process for requesting copies of public records from a public body, including a link to the public records section of the Department of Justice webpage. At the request of a state

agency or education service district, the State Chief Information Officer shall include a link to a location on the webpage of the agency or district that describes the process for requesting public records from the agency or district.

(5) In operating, refining and recommending enhancements to the Oregon transparency website, the State Chief Information Officer and the Transparency Oregon Advisory Commission created in ORS 276A.259 shall consider and, to the extent practicable, adhere to the following principles:

(a) The website must be accessible without cost and be easy to use;

(b) Information included on the Oregon transparency website must be presented using plain, easily understandable language; and

(c) The website should teach users about how state government and education service districts work and provide users with the opportunity to learn something about how state government and education service districts raise and spend revenue.

(6) If a state agency or an education service district is not able to include information described in this section on the Oregon transparency website because of the lack of availability of information or cost in acquiring information, the Transparency Oregon Advisory Commission created in ORS 276A.259 shall list the information that is not included for the state agency or education service district in the commission's report to the Legislative Assembly required under ORS 276A.259.

(7)(a) For the purpose of providing transparency in the revenues, expenditures and budgets of the following entities, the State Chief Information Officer shall include on the Oregon transparency website a page that provides links to websites established by:

(A) Local governments, as defined in ORS 174.116.

(B) Special government bodies, as defined in ORS 174.117.

(C) Semi-independent state agencies listed in ORS 182.454.

(D) Public universities listed in ORS 352.002.

(E) Public university statewide programs operated by a public university listed in ORS 352.002.

(F) The Oregon Health and Science University.

(G) The Oregon Tourism Commission.

(H) The Oregon Film and Video Office.

(I) The Travel Information Council.

(J) The Children's Trust Fund of Oregon Foundation.

(K) Oregon Corrections Enterprises.

(L) The State Accident Insurance Fund Corporation.

(M) The Oregon Utility Notification Center.

(N) Any public corporation created under a statute of this state and specifically designated as a public corporation.

(b) The State Chief Information Officer shall include a link to an entity's website after receiving a request from the entity and shall consider recommendations from the Transparency Oregon Advisory Commission for including other links to websites of the entities listed in paragraph (a) of this subsection.

(c) At the request of any local government, as defined in ORS 174.116, or special government body, as defined in ORS 174.117, the State Chief Information Officer shall include on the Oregon transparency website notices of public meetings required to be provided under ORS 192.640 by the local government or special government body. The local government or special government body must submit public meeting notice information in the format and manner required by the State Chief Information Officer.

(d) The office of the State Chief Information Officer shall include a prominent link on the home page of the Oregon transparency website for information posted to the page described in paragraph (a) of this subsection.

**SECTION 12.** ORS 284.746 is amended to read:

284.746. (1)(a) The Oregon Innovation Council, in consultation with the Oregon Business Development Department, shall determine eligibility for revenue bond financing of proposals for funding under ORS 284.742 pursuant to rules adopted by the council in consultation with the department.



(b) After determining that a proposal, grant, [or] loan **or equity investment** is eligible for revenue bond financing under paragraph (a) of this subsection, the department shall forward a request for the issuance of revenue bonds to the State Treasurer.

(2) The State Treasurer may issue revenue bonds subject to the budget authorization for bond issuance established under ORS 286A.035 for the department and the council for the purpose of financing or refinancing, in whole or part, grants, [and] loans **and equity investments** made under ORS 284.742, plus an additional amount to be estimated by the State Treasurer for payment of bond-related costs.

(3) Net proceeds of the revenue bonds issued pursuant to this section must be deposited in the Oregon Innovation Bond Fund established under ORS 284.747 for disbursement to the council to finance the making of grants, [and] loans **and equity investments** under ORS 284.742.

(4) Bond-related costs must be paid from the gross proceeds of the revenue bonds issued under this section and from moneys deposited in an account or subaccount of the Oregon Innovation Fund that has been established by the council specifically for this purpose.

(5) The department and the council, with the approval of the State Treasurer, may irrevocably pledge and assign all or a portion of the moneys deposited in an account or subaccount of the Oregon Innovation Fund that has been established by the council specifically for the purpose of securing revenue bonds issued under this section or credit enhancements obtained for the revenue bonds issued under this section.

(6) Revenue bonds issued under this section:

(a) Are payable from the moneys deposited in an account or subaccount of the Oregon Innovation Fund that has been established by the council specifically for the purpose of making payments on revenue bonds issued under this section.

(b) Do not constitute a debt or general obligation of the state, the Legislative Assembly or a political subdivision of this state but are secured solely by:

(A) The moneys deposited in an account or subaccount of the Oregon Innovation Fund that has been established by the council specifically for the purpose of making payments on revenue bonds issued under this section;

(B) Amounts in a debt service reserve account established with respect to revenue bonds issued under this section; or

(C) A credit enhancement obtained for the revenue bonds issued under this section.

(7) The State Treasurer, the department and the council have no obligation to pay bond-related costs except as provided in this section. A holder of revenue bonds or other similar obligations issued under this section does not have the right to compel the exercise of the taxing power of the state to pay bond-related costs.

(8) The holders of revenue bonds issued under this section, upon the issuance of the revenue bonds, have a perfected lien on the moneys deposited in an account or subaccount of the Oregon Innovation Fund that has been established by the council specifically for the purpose of securing and making payments on revenue bonds issued under this section or credit enhancements obtained for the revenue bonds issued under this section. The lien and pledge are valid and binding from the date of issuance of the revenue bonds and are automatically perfected without physical delivery, filing or other act. The lien and pledge are superior to subsequent claims or liens on the moneys deposited in the Oregon Innovation Fund.

(9) As long as any revenue bonds issued under this section are outstanding, the provisions of this section and the provisions of a security document related to the revenue bonds are deemed to be contracts between the state and holders of the revenue bonds. The state:

(a) May not create a lien, encumbrance or any other obligation that is superior to the liens authorized by subsection (8) of this section on the moneys in the Oregon Innovation Fund that are pledged and assigned to the payment of the revenue bonds; and

(b) May not give force or effect to a statute or initiative or referendum measure approved by the electors of this state if doing so would unconstitutionally impair existing covenants made with the holders of existing revenue bonds or would unconstitutionally impair other obligations or

agreements regarding the security of revenue bonds to which the moneys deposited in the Oregon Innovation Fund are pledged and assigned.

(10) The council is authorized to establish separate accounts or subaccounts within the Oregon Innovation Fund for separate bond issues.

(11) The council may:

(a) Make all contracts, execute all instruments and do all things necessary or convenient in the exercise of the powers granted by this section, in the performance of its covenants or duties, or in order to secure the payment of revenue bonds issued under this section; and

(b) Enter into covenants for the benefit of bond holders regarding the use and expenditure of moneys in the Oregon Innovation Fund.

(12) The State Treasurer, the department or the council may appoint bond counsel as prescribed in ORS 286A.130.

**SECTION 13.** ORS 284.747 is amended to read:

284.747. (1) The Oregon Innovation Bond Fund is established in the State Treasury, separate and distinct from the General Fund. The net proceeds from the sale of revenue bonds issued under ORS 284.746 must be credited to the Oregon Innovation Bond Fund. Investment earnings received on moneys in the fund must be credited to the fund.

(2) Moneys in the fund are continuously appropriated to the Oregon Innovation Council for the purpose of making grants, [and] loans **and equity investments** under ORS 284.742.

**SECTION 14. Notwithstanding the repeal of ORS 284.735 by section 8 of this 2019 Act, the State Chief Information Officer shall include in the economic development section on the Oregon transparency website required under ORS 276A.253 (4)(d) the names of persons who received grants or loans from the Oregon Innovation Council under ORS 284.735 as in effect immediately before the effective date of this 2019 Act, and the purpose and amount of the grant or loan, as long as any persons receive such grants or loans.**

**SECTION 15. This 2019 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect on its passage.**

Passed by House April 9, 2019

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 14, 2019

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2019

Approved:

.....M.,....., 2019

.....  
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2019

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Bev Clarno, Secretary of State