

A-Engrossed
House Bill 2208

Ordered by the House April 15
Including House Amendments dated April 15

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Veterans and Emergency Preparedness)

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 Oregon Business Development Department **Unreinforced Masonry Seismic Safety** Program to issue grants for improving seismic safety, stability and resiliency of qualifying unreinforced masonry and unreinforced concrete buildings. **Specifies limits and conditions for grants.** Establishes fund for program. Authorizes issuance of lottery bonds during biennium ending June 30, 2021, to finance program. **Requires department to report to interim committee of Legislative Assembly no later than September 15, 2021, regarding operation of program.**

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to seismic improvements to buildings; and prescribing an effective date.

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

4 **SECTION 1. (1) As used in this section:**

5 **(a)(A) "Eligible costs" means:**

6 **(i) Demolition, the restoration of similar architectural finishes, work on electrical,**
7 **plumbing and mechanical systems and other direct structural costs of seismic retrofitting;**
8 **and**

9 **(ii) Architectural, engineering, project management, insurance, testing and other service**
10 **costs related to retrofitting.**

11 **(B) "Eligible costs" does not mean:**

12 **(i) Remodeling or refurbishing costs intended to enhance aesthetics, functionality or**
13 **marketability without extending seismic life safety; or**

14 **(ii) Relocation costs or loss of rent during improvement of the seismic safety, stability**
15 **or resiliency of an eligible property.**

16 **(b) "Eligible property" means real property improvements:**

17 **(A) Constructed before January 1, 1993; and**

18 **(B) Having exteriors constructed primarily of unreinforced masonry, unreinforced con-**
19 **crete or other building materials declared seismically dangerous by city or county ordinance**
20 **or by a city or county governing body resolution.**

21 **(2) The Oregon Business Development Department shall administer a program, to be**
22 **known as the Unreinforced Masonry Seismic Safety Program, for the purpose of awarding**
23 **grants on an annual competitive basis from the Oregon Unreinforced Masonry Seismic Safety**
24 **Fund established under section 2 of this 2019 Act. The department shall award and disburse**
25 **grants under the program for the purposes of:**

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 (a) Improving, on a statewide basis, the seismic safety, stability and resiliency of eligible
2 properties; and

3 (b) Promoting improvements in seismic safety, stability and resiliency that will lead to
4 private investment, job creation or retention, the establishment or expansion of viable busi-
5 nesses or the creation of a stronger tax base.

6 (3) Grant applications must state with specificity the proposed improvements to the
7 seismic safety, stability and resiliency of the eligible property. The proposed improvements
8 must be sufficient to meet or exceed the seismic performance level for eligible properties
9 established by the department by rule.

10 (4) In awarding grants under the program, the department shall give priority to grants
11 for:

12 (a) Eligible property owned by, or primarily benefitting, a nonprofit corporation as de-
13 fined in ORS 65.001; and

14 (b) Categories of eligible property identified by the department by rule.

15 (5) Subject to subsection (6) of this section, an annual grant awarded to an applicant
16 under this section may not exceed the lesser of:

17 (a) Thirty-five percent of the total eligible costs spent on eligible properties; or

18 (b) \$1,500,000 for each eligible property.

19 (6) Except as provided in this subsection, the department shall reduce the grant for an
20 eligible property by the amount of any tax credits or grants received from Oregon state
21 government, as defined in ORS 174.111, in connection with the property. A grant under this
22 section may not exceed the difference between the eligible cost and the total amount received
23 to pay for the eligible cost from all other sources, such as tax credits or grants.

24 (7) The department shall adopt a formula for making grants under the program that re-
25 serves a minimum of 25 percent of available grant funds for projects outside of the Portland
26 metropolitan area urban growth boundary.

27 (8) The department shall:

28 (a) Develop criteria for determining the eligibility of grant applicants and proposed
29 projects;

30 (b) Provide project oversight and monitoring for grant awardees;

31 (c) Provide regular updates to other state agencies that have an interest in the carrying
32 out of the program;

33 (d) Adopt rules for the purposes of carrying out the program; and

34 (e) Appoint an advisory group of individuals qualified to review grant applications, advise
35 on the carrying out of the program and perform other program-related duties as determined
36 by the department.

37 (9) The department shall require each grant recipient to file a sworn statement upon
38 completion of the eligible project identifying the amounts and types of moneys received for
39 the eligible project and the source of those moneys.

40 (10) In adopting rules under this section, the department may consult with other state
41 agencies having an interest in the carrying out of the program.

42 **SECTION 2.** The Oregon Unreinforced Masonry Seismic Safety Fund is established in the
43 State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon
44 Unreinforced Masonry Seismic Safety Fund shall be credited to the fund. Moneys in the fund
45 are continuously appropriated to the Oregon Business Development Department for the

1 purpose of carrying out the Unreinforced Masonry Seismic Safety Program described in
2 section 1 of this 2019 Act. The fund shall consist of any moneys designated for deposit in the
3 fund or for carrying out the program, including but not limited to appropriations or other
4 provisions of moneys by the Legislative Assembly, bond proceeds and public or private mon-
5 eys from gifts, grants or donations.

6 **SECTION 3.** (1) In addition to and not in lieu of bonds authorized pursuant to ORS
7 286A.035, for the biennium ending June 30, 2021, at the request of the Oregon Department
8 of Administrative Services, after the department consults with the Oregon Business Devel-
9 opment Department, the State Treasurer is authorized to issue lottery bonds pursuant to
10 ORS 286A.560 to 286A.585 in an amount that produces \$20,000,000 in net proceeds and interest
11 earnings for the purposes described in subsection (2) of this section, plus an additional
12 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

13 (2) Net proceeds of lottery bonds issued under this section must be transferred to the
14 Oregon Business Development Department for deposit in the Oregon Unreinforced Masonry
15 Seismic Safety Fund established under section 2 of this 2019 Act.

16 (3) The Legislative Assembly finds that the use of lottery bond proceeds for the purpose
17 of carrying out the Unreinforced Masonry Seismic Safety Program described in section 1 of
18 this 2019 Act will create jobs, further economic development and enhance the economic vi-
19 tality of Oregon communities, and is authorized based on the following findings:

20 (a) Masonry and concrete buildings are an integral part of the commercial, industrial and
21 nonprofit infrastructure of this state. Unreinforced masonry and unreinforced concrete
22 buildings pose a significant risk to that infrastructure in the event of an earthquake.

23 (b) Improvements to the seismic safety, stability and resiliency of unreinforced masonry
24 and unreinforced concrete buildings will create jobs and promote economic development
25 within this state.

26 **SECTION 4.** The Oregon Business Development Department shall report regarding the
27 Unreinforced Masonry Seismic Safety Program to an interim committee of the Legislative
28 Assembly relating to emergency preparedness, in the manner provided by ORS 192.245, no
29 later than September 15, 2021. The report shall include, but need not be limited to, informa-
30 tion concerning applications received and grants issued under the program and concerning
31 the distribution of applications and grants between the Portland metropolitan area urban
32 growth boundary and the rest of this state.

33 **SECTION 5.** This 2019 Act takes effect on the 91st day after the date on which the 2019
34 regular session of the Eightieth Legislative Assembly adjourns sine die.

35