

Senate Bill 73

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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 **as introduced**.

Permits Oregon Department of Administrative Services to enter into financing agreements that exceed \$100,000 without needing to comply with requirements concerning state borrowing if financing agreements include nonrecourse provision.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to requirements for financing agreements executed in connection with obtaining office
3 quarters for the state; creating new provisions; amending ORS 283.087; and prescribing an ef-
4 fective date.

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

6 **SECTION 1.** ORS 283.087 is amended to read:

7 283.087. (1) The Director of the Oregon Department of Administrative Services may enter into
8 financing agreements in accordance with ORS 283.085 to 283.092.

9 (2) Financing agreements [*entered*] **the director enters** into under ORS 283.085 to 283.092 are
10 subject to the following limitations:

11 (a) Neither the director nor any other agency of the state may pay amounts due under a fi-
12 nancing agreement from any source other than available funds. If there are insufficient available
13 funds to pay amounts due under a financing agreement, the lender may exercise any property rights
14 which the state has granted to [*it*] **the lender** in the financing agreement, against the property
15 which was purchased with the proceeds of the financing agreement, and apply the amounts so re-
16 ceived toward payments scheduled to be made by the state under the financing agreement.

17 (b) Neither the director nor any other agency of the state may grant property rights in property
18 unless the property is being acquired, substantially improved or refinanced with proceeds of a fi-
19 nancing agreement entered into under ORS 283.085 to 283.092 or the property is land on which im-
20 provements financed, in whole or in part, under ORS 283.085 to 283.092 are located.

21 (c)(A) **Except as provided in subparagraph (B) of this paragraph**, a financing agreement
22 with a principal amount in excess of \$100,000 is subject to the requirements of ORS chapter 286A,
23 and the director may exercise the powers granted to a related agency, as defined in ORS 286A.001,
24 with respect to a financing agreement described in this paragraph.

25 **(B) A financing agreement is exempt from the requirements of ORS chapter 286A if:**

26 (i) **The Oregon Department of Administrative Services enters into the financing agree-**
27 **ment in connection with a lease purchase or an installment purchase, or in exercising a**
28 **purchase option, under ORS 276.429 (4); and**

29 (ii) **The financing agreement includes a nonrecourse provision.**

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 (3) The expenditure of funds used to finance previously executed financing agreements or to pay
2 costs incurred to issue a financing agreement must be recorded using administrative budget limita-
3 tions.

4 (4) For purposes of this section, the principal amount of a financing agreement, other than a fi-
5 nancing agreement to refinance a financing agreement, exceeds \$100,000 if the principal amount,
6 when combined with the principal amount of a financing agreement, other than a financing agree-
7 ment to refinance a financing agreement, previously issued for the same project exceeds \$100,000.

8 (5) Upon the request and with the approval of the Chief Justice of the Supreme Court or the
9 State Court Administrator, the director [*of the Oregon Department of Administrative Services*] may
10 enter into financing agreements in accordance with ORS 283.085 to 283.092 on behalf of the Judicial
11 Department.

12 **SECTION 2. The amendments to ORS 283.087 by section 1 of this 2019 Act apply to fi-**
13 **nancing agreements into which the Oregon Department of Administrative Services enters**
14 **on and after the effective date of this 2019 Act.**

15 **SECTION 3. This 2019 Act takes effect on the 91st day after the date on which the 2019**
16 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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