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

Relating to requirements for financing agreements executed in connection with obtaining office quarters for the state; creating new provisions; amending ORS 283.087; and prescribing an effective date.

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

SECTION 1. ORS 283.087 is amended to read:

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

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

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

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

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

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

(i) The Oregon Department of Administrative Services enters into the financing agreement in connection with a lease purchase or an installment purchase, or in exercising a purchase option, under ORS 276.429 (4); and

(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.

LC 545
(3) The expenditure of funds used to finance previously executed financing agreements or to pay costs incurred to issue a financing agreement must be recorded using administrative budget limitations.

(4) For purposes of this section, the principal amount of a financing agreement, other than a financing agreement to refinance a financing agreement, exceeds $100,000 if the principal amount, when combined with the principal amount of a financing agreement, other than a financing agreement to refinance a financing agreement, previously issued for the same project exceeds $100,000.

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

SECTION 2. The amendments to ORS 283.087 by section 1 of this 2019 Act apply to financing agreements into which the Oregon Department of Administrative Services enters on and after the effective date of this 2019 Act.

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