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.

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

Establishes amounts allocated for private activity bonds.

Makes legislative findings regarding benefits to higher education institutions and community colleges from issuance of bonds under Article XI-G of Oregon Constitution.

Declares emergency, effective July 1, 2021.

A BILL FOR AN ACT

Relating to state financial administration; creating new provisions; amending ORS 283.085; and declaring an emergency.

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

SECTION 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds of the state during the 2021-2023 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

(1) Higher Education Coordinating Commission (Art. XI-G):

(a) Eastern Oregon University, Inlow Hall Renovation,

   Phase II ................................ $ 600,000

(b) Oregon State University:

   (A) Cascades Phase II Remediation and Campus Infrastructure.. $ 870,000

   (B) Cordley Hall Renovation,

      Phase II ............................... $ 25,375,000

(c) Portland State University,

   Gateway Center Reuse and

   Extension ............................. $ 5,105,000

(d) University of Oregon,

   Heritage Building Renovation $ 5,960,000

(e) Blue Mountain Community College, Facility for

   Agricultural Resource

   Management............................. $ 6,615,000

Note: For budget, see 2021-2023 Biennial Budget

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 9505
(f) Central Oregon Community
   College, Classroom Building
   Redmond Campus............... $ 8,125,000

(g) Chemeketa Community
   College, Building 7 Remodel.. $ 8,125,000

(h) Klamath Community College,
    Childcare Resource Learning
    Center ........................... $ 1,540,000

(i) Linn-Benton Community
    College, Agricultural Center . $ 8,125,000

(j) Mt. Hood Community College,
    Maywood Park Center......... $ 8,125,000

(k) Oregon Coast Community
    College, Workforce Education
    and Resiliency Center ....... $ 8,125,000

(L) Rogue Community College,
    Transportation Technology
    Center ........................... $ 7,120,000

(m) Tillamook Bay Community
    College, Classroom and
    Office Building and
    Renovations..................... $ 8,125,000

(n) Treasure Valley Community
    College, Nursing-Allied
    Health Professions Center .... $ 5,015,000

(2) Department of Environmental
    Quality (Art. XI-H) ........... $ 10,300,000

(3) Oregon Business Development
    Department (Art. XI-M) ...... $ 110,995,000

(4) Oregon Business Development
    Department (Art. XI-N) ...... $ 50,620,000

(5) Department of Education
    (Art. XI-P) ....................... $ 138,065,000

(6) Oregon Department of
    Administrative
    Services (Art. XI-Q):

    (a) Department of Revenue,
        Electronic Valuation
        Information System............ $ 4,245,000

    (b) Oregon Military Department:

        (A) Ashland Armory Service
        Life Extension.................. $ 5,480,000

        (B) Corvallis Armory Service
        Life Extension.................. $ 4,375,000

        (C) Kliever Armory Service
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<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Life Extension</td>
<td>$ 6,265,000</td>
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<tr>
<td>(D) McMinnville Armory</td>
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<td>Service Life Extension</td>
<td>$ 5,640,000</td>
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<td>(c) Oregon State Police:</td>
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<tr>
<td>(A) Central Point Office Capital Improvement and Renewal</td>
<td>$ 3,260,000</td>
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<td>(B) Central Point Office Expansion</td>
<td>$ 34,435,000</td>
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<td>(C) Springfield Forensic Lab and Medical Examiner's Office</td>
<td>$ 62,710,000</td>
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<td>(D) Springfield Patrol Area Command Office</td>
<td>$ 14,490,000</td>
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<td>(d) Department of Corrections:</td>
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<td>(A) Capital Improvement and Renewal</td>
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<td>(B) Adult in Custody Computing Platform</td>
<td>$ 475,000</td>
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<td>(C) Distribution Services Equipment</td>
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<td>(D) Mailroom Centralization</td>
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<tr>
<td>(E) Off-Net Telephone Infrastructure</td>
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<tr>
<td>(F) Opioid Overdose Prevention Body Scanners</td>
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<td>(G) Opioid Overdose Prevention TruNarc</td>
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<td>(H) OSP Minimum Security Training and Recruiting Center</td>
<td>$ 4,590,000</td>
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<td>(I) Skype to Teams Migration</td>
<td>$ 800,000</td>
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<td>(e) Oregon Youth Authority:</td>
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<tr>
<td>(A) Camp Riverbend Dorm Renovation</td>
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<td>(B) Capital Improvements</td>
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<td>(C) JJIS IT System Modernization</td>
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<td>(D) MacLaren Emergency Generator Replacement</td>
<td>$ 1,825,000</td>
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<td>(E) MacLaren West Cottages Renovations</td>
<td>$ 8,125,000</td>
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<td>(F) Oak Creek Parole and Probation Building Removal and Replacement</td>
<td>$ 1,685,000</td>
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<tr>
<td>(G) Tillamook Dorm Renovation</td>
<td>$ 10,495,000</td>
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<td>(f) Oregon Health Authority:</td>
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<td>Project Description</td>
<td>Cost</td>
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<tr>
<td>(A) OSH Salem Additional Office Space</td>
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<td>(B) OSH Salem Remodel Therapy Tub Rooms</td>
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<td>(C) OSH Salem Well Water Treatment Facility</td>
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<td>(D) OSH Salem/Junction City Automated Dispensing Cabinets</td>
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<td>(E) OSH Salem/Junction City Equipment Replacement</td>
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<td>(F) OSH Salem/Pendleton Deferred Maintenance</td>
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<td>(g) Higher Education Coordinating Commission:</td>
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<td>(A) Public Universities Capital Improvement and Renewal</td>
<td>$ 80,810,000</td>
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<td>(B) Eastern Oregon University, Inlow Hall Renovation,</td>
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<td>Phase II</td>
<td>$ 17,920,000</td>
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<td>(C) Oregon State University:</td>
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<td>(i) Cascades Phase II Remediation and Campus Infrastructure</td>
<td>$ 16,040,000</td>
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<td>(ii) Cordley Hall Renovation, Phase II</td>
<td>$ 61,690,000</td>
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<td>(D) Portland State University, Gateway Center Reuse and Extension</td>
<td>$ 45,585,000</td>
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<td>(E) University of Oregon,</td>
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<td>Heritage Building Renovation</td>
<td>$ 53,285,000</td>
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<td>(F) FAMIS System Replacement</td>
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<td>(h) Department of Education:</td>
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<td>(A) Oregon School for the Deaf ADA Restrooms</td>
<td>$ 1,065,000</td>
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<td>(B) Oregon School for the Deaf Fire Alarm System</td>
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<td>Replacement</td>
<td>$ 3,145,000</td>
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<td>(C) Oregon School for the Deaf Windows Upgrade</td>
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<td>(i) State Forestry Department:</td>
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<tr>
<td>(A) Capital Improvements</td>
<td>$ 4,885,000</td>
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<tr>
<td>(B) Toledo Facility Replacement Phase II</td>
<td>$ 1,121,580</td>
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<tr>
<td>(j) Oregon Department of Fish and Wildlife,</td>
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Deferred Maintenance ........ $ 10,175,000

(k) Housing and Community Services Department,
Local Innovation and Fast Track (LIFT) Housing
Permanent Supportive Housing, Land
Acquisition.......................... $ 252,180,000

(L) Judicial Department:
(A) Benton County Courthouse... $ 26,985,000
(B) Clackamas County Courthouse........ $ 63,700,000
(C) Lane County Courthouse ...... $ 94,895,000
(D) Linn County Courthouse....... $ 16,110,000
(E) Supreme Court Building Renovation.................. $ 21,950,000

Dedicated Fund Obligations
(7) Department of Veterans' Affairs (Art. XI-A)........ $ 180,000,000
(8) Department of Environmental Quality (Art. XI-H) .... $ 10,000,000
(9) Housing and Community Services Department (Art. XI-I(2)) .... $ 50,000,000
(10) Oregon Department of Administrative Services (Art. XI-Q):
(a) Executive Building Interior and Seismic Renovation....... $ 45,620,000
(b) North Valley Complex Infrastructure Upgrades/
Tenant Improvements......... $ 60,820,000
(c) Yellow Parking Lot Paving ... $ 4,055,000
(d) State Forestry Department,
Toledo Facility Replacement,
Phase II ......................... $ 1,558,420
(e) Oregon Liquor Control Commission:
(A) Liquor Warehouse Conveyor System .................. $ 10,175,000
(B) Liquor Warehouse Land and Building.................. $ 53,170,000
(C) Liquor Warehouse Management IT System........ $ 27,390,000

Total General Obligation
Bonds .............................  $ 1,929,090,000

SECTION 2. The amounts authorized, as provided by ORS 286A.035, for issuance of revenue bonds of the state during the 2021-2023 biennium are as follows:

REVENUE BONDS

Direct Revenue Bonds

    Housing and Community Services Department .......... $ 500,000,000
    Department of Transportation ....................... $ 880,000,000
    Oregon Business Development Department ............. $ 30,000,000
    Oregon Department of Administrative Services, Lottery Revenue Bonds ...... $ 342,545,000

Total Direct Revenue Bonds ....................................  $ 1,752,545,000

Pass-Through Revenue Bonds

    Oregon Business Development Department, Industrial Development Bonds ................. $ 600,000,000
    Oregon Business Development Department, Beginning and Expanding Farmer Loan Program ......................... $ 2,500,000
    Oregon Facilities Authority .. $ 1,000,000,000
    Housing and Community Services Department .......... $ 900,000,000

Total Pass-Through Revenue Bonds ....................................  $ 2,502,500,000

Total Revenue Bonds............ $ 4,255,045,000

SECTION 3. The amount authorized, as provided by ORS 286A.035, for issuance of certificates of participation and other financing agreements of the state during the 2021-2023 biennium for the Oregon Department of Administrative Services is $201,240,000.

SECTION 4. (1) For calendar year 2022, the amount of $442,862,385 is allocated for private activity bonds, as provided in ORS 286A.615, as follows:

    (a) Oregon Business Development Department, Industrial Development Bonds ......................... $ 40,000,000
    (b) Oregon Business Development Department, Beginning and Expanding Farmer Loan Program ......................... $ 1,000,000
    (c) Housing and Community Services Department .......... $ 250,000,000
(d) Private Activity Bond Committee............................. $ 151,862,385

(2) For calendar year 2023, the amount of $442,862,385 is allocated for private activity bonds, as provided in ORS 286A.615, as follows:

(a) Oregon Business Development Department, Industrial Development Bonds.............. $ 40,000,000

(b) Oregon Business Development Department, Beginning and Expanding Farmer Loan Program................................ $ 1,000,000

(c) Housing and Community Services Department............. $ 250,000,000

(d) Private Activity Bond Committee............................. $ 151,862,385

(3) If an increase in this state's population, a sufficient increase in the Consumer Price Index or a change in federal law allows the private activity bond limit as set by the Internal Revenue Code of 1986, as amended, to exceed $442,862,385 during the 2022 calendar year or $442,862,385 during the 2023 calendar year, the increase is allocated to the Private Activity Bond Committee.

SECTION 5. For purposes of Article XI-G, section 1, of the Oregon Constitution, the Legislative Assembly determines that the projects authorized to be financed pursuant to section 1 (1) of this 2021 Act with bonds issued under Article XI-G of the Oregon Constitution will benefit higher education institutions or activities or community colleges authorized by law to receive state aid.

SECTION 6. Bonds authorized under section 1 (1) of this 2021 Act may not be issued until the constructing authority certifies that the constructing authority has matching funds available for the same or similar purposes as the Article XI-G bonds that will fund the grant to the constructing authority, that the matching funds are not proceeds of indebtedness incurred by the state under any other article of the Oregon Constitution, and that the matching funds are available to the constructing authority in an amount at least equal to the amount of indebtedness incurred by the state through the issuance of the Article XI-G bonds.

SECTION 7. Of the proceeds from the lottery revenue bonds authorized under section 2 of this 2021 Act, $6,500,000 may be used to provide the required matching funds in relation to the Article XI-G bonds authorized under section 1 (1)(e) of this 2021 Act.

SECTION 8. (1) Out of the amount specified in section 1 (6)(L)(A) of this 2021 Act, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed $26,600,000 of net proceeds for the purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(2) Out of the amount specified in section 1 (6)(L)(B) of this 2021 Act, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed $63,000,000 of net proceeds for the purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(3) Out of the amount specified in section 1 (6)(L)(C) of this 2021 Act, the State Treasurer
may issue Article XI-Q bonds in an amount not to exceed $94,000,000 of net proceeds for the purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(4) Out of the amount specified in section 1 (6)(L)(D) of this 2021 Act, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed $15,900,000 of net proceeds for the purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

SECTION 9. ORS 283.085 is amended to read:

283.085. As used in ORS 283.085 to 283.092:

(1) “Available funds” means funds appropriated or otherwise made available by the Legislative Assembly to pay amounts due under a financing agreement for the fiscal period in which the payments are due, unexpended proceeds of the financing agreement and reserves or other amounts that have been deposited in trust to pay amounts due under the financing agreement.

(2) “Credit enhancement agreement” means any agreement or contractual relationship between the state and any bank, trust company, insurance company, surety bonding company, pension fund or other financial institution providing additional credit on or security for a financing agreement or certificates of participation authorized by ORS 283.085 to 283.092.

(3) “Financing agreement” means a lease purchase agreement, an installment sale agreement, a loan agreement or any other agreement:

(a) To finance real or personal property that is or will be owned and operated by the state or any of its agencies;

(b) To finance infrastructure, including but not limited to telecommunications systems, systems for water, sewage, electricity, steam or natural gas and other equipment or improvements that are necessary or appropriate to support a facility that is, or will be, owned or operated by the state;

(c) To finance infrastructure components that are, or will be, owned or operated by a local government agency of this state if the Director of the Oregon Department of Administrative Services determines that financing the infrastructure facilitates the construction or operation of an adult or juvenile corrections facility or a public safety training facility owned or operated by the state or any of its agencies;

(d) To finance all or a portion of the state’s pension liabilities for retirement, health care or disability benefits, in an amount that produces net proceeds that do not exceed the State Treasurer's estimate of those liabilities based on information provided to the State Treasurer by the Public Employees Retirement System;

(e) To finance:

(A) The release of all or a portion of the Elliott State Forest from restrictions resulting from ownership of that forest by the Common School Fund; or

(B) Compensation paid to the Common School Fund for the preservation of noneconomic benefits of the forest through the imposition, transfer or sale of restrictions such as easements, use requirements or other methods that preserve noneconomic benefits of the forest for the public, including recreation, aesthetics, wildlife or habitat preservation or other environmental and quality of life considerations; [or]

(f) To finance the costs of broadband projects in Oregon communities through grants, loans or other methods, including costs of planning, engineering, improvement, acquisition, construction and deployment of broadband infrastructure, including middle-mile and last-mile infrastructure, costs of acquiring equipment and other technology to operate broadband
networks, and costs of acquiring or providing broadband services; or

[(f)] (g) To refinance previously executed financing agreements.

(4) “Financing costs” means costs or expenses that the director determines are necessary or desirable in connection with entering into financing agreements and maintaining the certificate of participation program, including but not limited to payment of:

(a) Amounts due under financing agreements;
(b) Costs and obligations the director or any other agency of the state incurs in connection with the exercise of a power granted by ORS 283.085 to 283.092; and
(c) Amounts due in connection with the investment of proceeds of financing agreements.

(5) “Personal property” means tangible personal property, software and fixtures.

(6) “Property rights” means, with respect to personal property, the rights of a secured party under ORS chapter 79, and, with respect to real property, the rights of a trustee or lender under a lease authorized by ORS 283.089 (1)(e).

(7) “Software” means software and training and maintenance contracts related to the operation of computing equipment.

SECTION 10. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect July 1, 2021.