

**Enrolled**  
**House Bill 2158**

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of State Treasurer Tobias Read)

CHAPTER .....

AN ACT

Relating to bonding; amending ORS 238.697, 286A.035 and 352.402.

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

**SECTION 1.** ORS 286A.035 is amended to read:

286A.035. (1) Each related agency shall report the plans of the related agency for the issuance of bonds during the next biennium. The related agency shall submit the related agency's report to the Governor by a date determined by the Governor and shall include in the report a description of bonds that the related agency intends to retire or defease during the next biennium.

(2) On or before a date determined by the Governor, the State Treasurer shall advise the Governor on the prudent maximum amount of bonds to be issued for each bond program. The State Treasurer shall consider available economic and financial data in preparing advice to be given to the Governor.

(3) As part of the Governor's budget described in ORS 291.216, the Governor shall:

(a) Consider the prudent maximum amounts advised by the State Treasurer pursuant to subsection (2) of this section to determine the Governor's total recommended amount; and

(b) Recommend to the Legislative Assembly the total amount of bonds the State Treasurer may issue for each bond program for a biennium.

(4) The Legislative Assembly shall determine the amount of bonds the State Treasurer may issue for each state agency for a biennium. **Except as provided in subsection (5) of this section**, if the Legislative Assembly fails to make the determination described in this subsection by the first day of the biennium, the unused portion of the authorization the Legislative Assembly made for the preceding biennium is deemed to carry forward for the current biennium at the amount authorized for the preceding biennium until the earlier of:

(a) The date on which legislation authorizing the amount of bonds for the current biennium is enacted; or

(b) The date on which the Legislative Assembly adjourns sine die.

**(5) The unused portion of the amount of pass-through revenue bonds authorized for issuance in the preceding biennium is deemed to carry forward for the current biennium until the date on which legislation authorizing the amount of pass-through revenue bonds for the current biennium is enacted.**

~~[(5)]~~ (6) The amount of bonds that may be issued under bond programs may be modified by the Governor. However, the Governor may not modify the amount of bonds that may be issued under bond programs in a way that would cause the maximum amount established by the Legislative Assembly for a category of bond programs to be exceeded if the Legislative Assembly:

(a) Has categorized the bonds that may be issued under bond programs as general obligation, direct revenue and pass-through revenue bonds; and

(b) Assigned a maximum amount to each category.

[(6)] (7) This section applies to bonds:

(a) Unless the bonds are expressly exempted from the requirements of this section.

(b) Except refunding bonds.

**SECTION 2.** ORS 238.697 is amended to read:

238.697. (1) Before a public body, or an intergovernmental entity formed pursuant to ORS 238.695, may authorize the issuance of bonds under ORS 238.694, the public body or intergovernmental entity must first:

(a) Obtain a statistically based assessment from an independent economic or financial consulting firm regarding the likelihood that investment returns on bond proceeds will exceed the interest cost of the bonds under various market conditions; and

(b) Make a report available to the general public that:

(A) Describes the results of the assessment; and

(B) Discloses whether the public body or intergovernmental entity has retained the services of an independent SEC-registered advisor.

(2) The public body or intergovernmental entity shall transmit the assessment to the State Treasurer *[at least]* **by the earlier of:**

(a) 30 days before issuing the bonds[.]; or

(b) **Two days prior to the date the bonds are offered for sale to investors.**

(3) The State Treasurer shall provide to the State Debt Policy Advisory Commission an annual report on bonds issued under ORS 238.694. The report must describe each bond issuance under ORS 238.694 that took place on or after June 11, 2019, and that remains outstanding, including, for each issuance:

(a) The actual interest rate owed over the term of the bonds;

(b) The projected rate of return on the bond proceeds, as determined by the assessment required under subsection (1) of this section; and

(c) The actual rate of return on the bond proceeds in the previous fiscal year and the cumulative rate of return on the bond proceeds.

(4) As used in this section, “independent SEC-registered advisor” has the meaning given the term “independent registered municipal advisor” in 17 C.F.R. 240.15Ba1-1, as amended.

**SECTION 3.** ORS 352.402 is amended to read:

352.402. (1) A public university *[listed in ORS 352.002]* may elect to remain eligible to receive proceeds of state bonds. If a public university requests the State Treasurer to issue state bonds for the benefit of the university that are authorized under Article XI-F(1) or XI-Q of the Oregon Constitution or ORS 283.085 to 283.092, and the state bonds are intended to be repaid in whole or in part by university revenues or other moneys under the control of the university, the *[State Treasurer must review and approve all plans to issue revenue bonds of the university and to execute other obligations related to the revenue bonds.]*

*[(2) The State Treasurer shall limit the scope of review and approval under subsection (1) of this section to consideration of periodic cash flow projections and other information necessary to determine the sufficiency of the cash flow of the public university listed in ORS 352.002]* **university may not issue revenue bonds pursuant to ORS 352.388 to 352.415 unless the university first certifies to the State Treasurer, in a form and manner required by the State Treasurer, the sufficiency of the university’s cash flow** to pay any loans from state agencies funded with the proceeds of state bonds and to pay costs for:

(a) State bonds issued for the benefit of the public university *[listed in ORS 352.002]* pursuant to Article XI-F(1) or XI-Q of the Oregon Constitution or ORS 283.085 to 283.092; and

(b) Revenue bonds issued pursuant to ORS 352.388 to 352.415.

**(2) A public university must transmit the certification required under subsection (1) of this section to the State Treasurer by the earlier of:**

(a) 30 days before issuing the bonds; or

(b) 10 days prior to the date the bonds are offered for sale to investors.

(3) A public university [listed in ORS 352.002] that issues revenue bonds of the university, or executes other obligations related to the revenue bonds, without [the approval of the State Treasurer as provided in subsection (2) of this section] making the certification required under this section is not eligible to receive proceeds of the state bonds described in subsection (1) of this section [and that are intended to be repaid in whole or in part by university revenues or other moneys under the control of the university on or after August 14, 2013] after the effective date of this 2023 Act.

(4) As used in this section, "public university" means a public university listed in ORS 352.002.

Passed by House March 7, 2023

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Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

Passed by Senate June 21, 2023

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Rob Wagner, President of Senate

Received by Governor:

.....M,....., 2023

Approved:

.....M,....., 2023

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M,....., 2023

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Secretary of State