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March 27, 2023

House Committee on Judiciary 900 Court Street NE HR D State Capitol Salem, OR 97301-4048

Re: House Bill 3581 – Allowing Courthouse Expansions/Renovations using XI-Q Bonds

Honorable Chair Kropf, Honorable Vice Chairs, and members of the committee:

For the past 15 years, Oregon counties have actively participated in a state-wide concerted effort with the Oregon Judicial Department (OJD) and our legislature to assess the condition of court facilities, identify deficiencies, and prioritize funding for long-overdue improvement and/or replacement projects. This effort has confirmed that each county is unique and approaches providing suitable and sufficient facilities to meet the needs of our judicial systems differently. For some counties building new court facilities will be the only viable option. For others, the solution is to reconfigure, renovate, and/or expand their existing courthouses. However, for many counties, it is increasingly apparent the status quo is not sufficient. There is no "one size fits all" solution. And as each year passes, rising construction costs create an even more daunting funding challenge for counties needing to fund essential facilities projects.

The creation of the Oregon Courthouse Construction Capital Improvement Fund (OCCCI) and the use of Article XI-Q bonds have provided a viable path for a small number of counties to finance courthouse replacements while many others—particularly rural counties—struggle to compete for general-fund-supported cash grants to address their most critical facility deficiencies incrementally. Unfortunately, a significant barrier to accessing the XI-Q bond program is that it is restricted to courthouse replacement projects or remodels of buildings that are <u>not</u> existing courthouses. In addition, many counties are unable to secure the required 50 percent match to qualify for the bond program.

House Bill 3581 will provide additional options for counties seeking to improve court facilities substantially. A significant change is that it includes expansions and renovations, which will help ensure more counties can provide improved judicial operating spaces for future generations. Counties will continue to rely on funding assistance and a collaborative partnership with the OJD and our State Courts Administration to deliver and maintain safe, adequate operating spaces for the courts.

We ask that you support the tools and flexibility provided by HB 3581 to give the counties additional options in finding the most cost-effective opportunities to meet these critical needs.

Respectfully,

Commissioner Jeremy Gordon, Chair

Commissioner Craig Pope

Commissioner Lyle Mordhorst