LC 256
2026 Regular Session
1/9/26 (MNJ/ps)

D R A F T

SUMMARY

Digest: The Act lets the State Treasurer issue bonds to pay to expand or renovate courthouses. (Flesch Readability Score: 61.8).

Authorizes the State Treasurer to issue Article XI-Q general obligation bonds to finance renovation or expansion of courthouses.

A BILL FOR AN ACT

Relating to courts; amending ORS 1.181, 1.183 and 1.184.

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

SECTION 1. ORS 1.181 is amended to read:

1.181. (1) Out of the amount specified in section 1 (6), chapter 705, Oregon Laws 2013, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed $19 million of net proceeds for the purposes specified in subsection [*(3)*] **(6)** of this section, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(2)[*(a)*] Bonds may not be issued pursuant to this section or section 10, chapter 685, Oregon Laws 2015, unless[*:*]**a courthouse project meets the requirements of subsection (3) or (4) of this section.**

(3) Bonds may be issued pursuant to this section or section 10, chapter 685, Oregon Laws 2015, if:

[*(A)*] **(a)** The Chief Justice of the Supreme Court has determined that:

[*(i)*] **(A)** The courthouse with respect to which the bonds will be issued has significant structural defects, including seismic defects, that present actual or potential threats to human health and safety;

[*(ii)*] **(B)** Replacing the courthouse, whether by acquiring and remodeling or repairing an existing building or by constructing a new building, is more

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.

cost-effective than remodeling or repairing the courthouse; and

[*(iii)*] **(C)** Replacing the courthouse creates an opportunity for colocation of the court with other state offices; and

[*(B)*] **(b)** The Oregon Department of Administrative Services has approved the project for which the bonds will be issued.

(4) Bonds may be issued pursuant to this section or section 10, chapter 685, Oregon Laws 2015, if:

(a) The Chief Justice of the Supreme Court has determined that:

(A) Renovating or expanding the court space in the courthouse, by remodeling or repairing the existing courthouse space or by constructing an addition to the existing courthouse building, will directly benefit the court and is more feasible than replacing the courthouse;

(B) Renovating or expanding the courthouse creates or maintains an opportunity for colocation of the circuit court with other state offices;

(C) The renovated or expanded courthouse would significantly improve the court facility, according to criteria adopted by the Chief Justice; and

(D) If applicable, the project includes the remediation of significant building defects that present actual or potential threats to human health and safety in the existing courthouse building; and

(b) The Oregon Department of Administrative Services has approved the project for which the bonds will be issued.

[*(b)*] **(5)** The Oregon Department of Administrative Services, after consultation with the Judicial Department, shall determine when net proceeds are needed for the purposes described in subsection [*(3)*] **(6)** of this section and shall consult with the Judicial Department regarding the sale of bonds to be issued pursuant to this section.

[*(3)*] **(6)** The State Treasurer shall deposit the net proceeds of bonds issued pursuant to this section and section 10, chapter 685, Oregon Laws 2015, in the Oregon Courthouse Capital Construction and Improvement Fund. The net proceeds and any interest earnings may be used solely to finance costs related to acquiring, constructing, remodeling, repairing, equipping or furnishing land, improvements, courthouses or portions of courthouses that are, or that upon completion of a project funded under this section will be, owned or operated by the State of Oregon.

[*(4)*] **(7)** As used in ORS 286A.816 to 286A.826 with respect to this section:

(a) "Project agency" means the Judicial Department.

(b) "Project fund" means the Oregon Courthouse Capital Construction and Improvement Fund.

SECTION 2. ORS 1.183 is amended to read:

1.183. (1)(a) Notwithstanding ORS 1.185, a county and the state, acting by and through the Oregon Department of Administrative Services on behalf of the Judicial Department, may enter into interim agreements that provide for the funding, acquisition, development**,** [*and*] **renovation, expansion or** construction of a courthouse and require the parties to negotiate in good faith and execute a long-term lease agreement or a long-term intergovernmental agreement with respect to the ownership or operation of a courthouse or portions of a courthouse that the county is required to provide under ORS 1.185, pursuant to which the state agrees to provide the property and services described in ORS 1.185 (1)(a).

(b)(A) An agreement entered into pursuant to this subsection **for a courthouse replacement project under ORS 1.181 (3) or a courthouse improvement project under ORS 1.181 (4)** may include a requirement that the county transfer to the Oregon Courthouse Capital Construction and Improvement Fund an amount not less than 50 percent of the total estimated costs of a project funded with bonds issued pursuant to ORS 1.181 or section 10, chapter 685, Oregon Laws 2015, with respect to the courthouse or portions of a courthouse that are the subject of the agreement.

(B) The amount transferred by a county pursuant to this paragraph may comprise, singly or in any combination and proportion:

(i) Property tax revenues, bond proceeds or any other county moneys; and

(ii) A credit equal to the higher of the appraised value or the actual purchase price of land purchased by the county for the courthouse **replacement project** if the state approves of the land as the site for the courthouse **or for the courthouse improvement project if the state approves of the land as the site necessary to expand the existing courthouse**.

(C) The amount required to be transferred by the county under this subsection may not be less than 75 percent of the total estimated costs unless the project includes **the opportunity for** colocation in the courthouse of state offices in addition to the state circuit court facilities.

(2) For purposes of ORS 1.181 and section 10, chapter 685, Oregon Laws 2015, the state shall be considered to operate a courthouse or portions of a courthouse that are the subject of an agreement entered into pursuant to subsection (1) of this section if, as applicable:

(a) The lease agreement conveys to the state a full leasehold interest, including exclusive rights to control and use the courthouse or portions of the courthouse that are typical of a long-term lease, for a term that is at least equal to the term during which the bonds issued pursuant to ORS 1.181 and section 10, chapter 685, Oregon Laws 2015, will remain outstanding.

(b) The intergovernmental agreement grants the state the exclusive right to control and use the courthouse or portions of the courthouse for a term that is at least equal to the term during which the bonds issued pursuant to ORS 1.181 and section 10, chapter 685, Oregon Laws 2015, will remain outstanding.

SECTION 3. ORS 1.184 is amended to read:

1.184. (1) The Oregon Courthouse Capital Construction and Improvement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Oregon Courthouse Capital Construction and Improvement Fund shall be credited to the fund.

(2) The fund consists of moneys deposited in the fund pursuant to ORS 1.181 and section 10, chapter 685, Oregon Laws 2015, and moneys transferred to the fund by a county pursuant to ORS 1.183 (1)(b) and may include fees,

revenues and other moneys appropriated by the Legislative Assembly for deposit in the fund.

(3) Moneys in the fund are continuously appropriated to the Judicial Department for:

(a) The purposes described in ORS 1.181 [*(3)*] **(6)**;

(b) Payment of the costs incurred by the department to administer the fund; and

(c) Payment of bond-related costs, as defined in ORS 286A.816.