

CHAPTER 4

AN ACT HB 4035
[2002 Second Special Session]

Relating to state finance; creating new provisions; amending ORS 273.384, 565.447 and 656.605 and section 21, chapter 942, Oregon Laws 2001, section 28, chapter 954, Oregon Laws 2001, section 5, chapter 964, Oregon Laws 2001, and section 1, chapter 978, Oregon Laws 2001; repealing section 3, chapter 815, Oregon Laws 2001, section 22, chapter 878, Oregon Laws 2001, section 8, chapter 964, Oregon Laws 2001, and section 3, chapter 978, Oregon Laws 2001; and declaring an emergency.

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

SECTION 1. ORS 273.384 is amended to read:

273.384. (1) The Space Age Industrial Park shall be managed and administered by the Director of the Oregon Department of Administrative Services.

(2) Notwithstanding the provisions of any law, all net income and other net proceeds derived from the rental, lease, sale, disposition or use of the Space Age Industrial Park (after payment of all costs and expenses incident to the maintenance and administration of the Space Age Industrial Park and costs incident to any sale or other disposition thereof) shall be deposited in the State Treasury and credited as follows:

(a) **50 percent to the General Fund to be available for general governmental expenses; and**

(b) **50 percent to the Trust for Cultural Development Account established in ORS 359.405.**

SECTION 2. Section 28, chapter 954, Oregon Laws 2001, is amended to read:

Sec. 28. If the Space Age Industrial Park is sold and more than [*\$1 million*] **\$500,000** from the proceeds of the sale is deposited in the Trust for Cultural Development Account prior to January 5, 2003, there is allocated to the Emergency Board, for the biennium beginning July 1, 2001, out of the Trust for Cultural Development Account, [*the*] **an amount [of \$1 million] equal to 13.5 percent of the proceeds deposited in the account, up to a maximum of \$500,000,** which may be allocated by the Emergency Board for specified uses in Morrow County.

SECTION 3. ORS 565.447 is amended to read:

565.447. (1) Subject only to the availability of unobligated net lottery proceeds, there is allocated from the Administrative Services Economic Development Fund to the County Fair Account created under ORS 565.445 an amount equal to one percent of the net proceeds from the Oregon State Lottery, but not to exceed [*\$1.55 million*] **\$1.53 million** annually, adjusted biennially pursuant to the change in the Consumer Price Index, as defined in ORS

327.006, between January 1, 2001, and January 1 immediately preceding commencement of the biennium.

(2) The allocation of moneys from the Administrative Services Economic Development Fund under this section is subject to the requirements in section 4, Article XV of the Oregon Constitution, for deposit of 15 percent of the net proceeds from the Oregon State Lottery into the Education Endowment Fund and into the Parks and Natural Resources Fund and shall be made only after satisfaction or payment of:

(a) Amounts allocated to Westside lottery bonds issued under ORS 391.140 or to the reserves or any refunding related to the Westside lottery bonds in accordance with the priority for allocation and disbursement established by ORS 391.130;

(b) All liens, pledges or other obligations relating to lottery bonds or refunding lottery bonds due or payable during the year for which an allocation is to be made; and

(c) Amounts required by any other pledges of, or liens on, net proceeds from the Oregon State Lottery.

SECTION 4. ORS 656.605 is amended to read:

656.605. (1) The Workers' Benefit Fund is created in the State Treasury, separate and distinct from the General Fund. Moneys in the fund shall be invested in the same manner as other state moneys and investment earnings shall be credited to the fund. The fund shall consist of the following:

(a) Moneys received pursuant to ORS 656.506.

(b) Moneys recovered under ORS 656.054.

(c) Fines and penalties recovered under ORS 656.735.

(d) All moneys received by the Director of the Department of Consumer and Business Services pursuant to law or from any other source for purposes for which the fund may be expended.

(2) Moneys in the Workers' Benefit Fund may be expended for the following purposes:

(a) Expenses of programs under ORS 656.445, 656.506, 656.622, 656.625, 656.628 and 656.630.

(b) Proceedings against noncomplying employers pursuant to ORS 656.054 and 656.735.

(c) Expenses of vocational assistance on claims, the cost of which was imposed pursuant to section 15, chapter 600, Oregon Laws 1985.

(d) Payment of supplemental temporary disability benefits for workers employed in more than one job at the time of injury and reimbursement of the costs of administering payments resulting from elections by insurers and self-insured employers as provided by ORS 656.210 (5).

(e) Payments made to injured workers pursuant to section 6a, chapter 865, Oregon Laws 2001.

(f) Expenses of the Bureau of Labor and Industries for enforcing ORS 659A.040, 659A.043, 659A.046, 659A.049 and 659A.052, subject to an agreement between the Director of the Department of Consumer and Business Services and the Commissioner of the Bureau of Labor and Industries. The agreement must include, but is not limited to, the amount of funds to be trans-

ferred to the bureau for enforcing ORS 659A.040, 659A.043, 659A.046, 659A.049 and 659A.052 and the information relating to the enforcement of ORS 659A.040, 659A.043, 659A.046, 659A.049 and 659A.052 that the bureau must report to the director.

(3) Subject to the following provisions, all moneys in the fund are appropriated continuously to the Director of the Department of Consumer and Business Services to carry out the activities for which the fund may be expended:

(a) Moneys received pursuant to ORS 656.054 and 656.735 and transfers made pursuant to ORS 705.148 may be expended only to carry out the provisions of ORS 656.054 and 656.735 and section 15, chapter 600, Oregon Laws 1985.

(b) Moneys received pursuant to ORS 656.506 and the transfers of unexpended and unobligated moneys in the Retroactive Reserve, Reemployment Assistance Reserve, Reopened Claims Reserve and Handicapped Workers Reserve referred to in ORS 656.506, 656.622, 656.625 and 656.628 (All 1993 Edition) may be expended only to carry out the programs referred to in ORS 656.506, 656.622, 656.625, 656.628 and 656.630.

(4) Notwithstanding any other provision of this chapter, if the director determines at any time that there are insufficient moneys in the Workers' Benefit Fund to pay the expenses of programs for which expenditure of the fund is authorized, the director may reduce the level of benefits payable accordingly.

SECTION 5. Section 1, chapter 978, Oregon Laws 2001, is amended to read:

Sec. 1. [For the biennium beginning July 1, 2001] **Not later than June 30, 2003**, the Oregon Department of Administrative Services shall transfer to the Oregon Rural Health Association [11.2 percent of the moneys remaining in] **\$7.5 million from the Medicaid Upper Payment Limit Account established in [section 1, chapter 405, Oregon Laws 2001 (Enrolled Senate Bill 963), after the department has transferred to the Oregon Health and Science University public corporation the amount required in section 2, chapter 800, Oregon Laws 2001 (Enrolled Senate Bill 5536), and has transferred to the Department of Education for the State School Fund the amount required in sections 5 and 6, chapter 890, Oregon Laws 2001 (Enrolled Senate Bill 5514)] ORS 440.420.**

SECTION 6. Section 5, chapter 964, Oregon Laws 2001, is amended to read:

Sec. 5. The Governor shall submit a plan to the Emergency Board for the administration of the Post-Secondary Education Opportunity Commission. [The plan shall specify how the Governor intends to use the funds allocated to the Emergency Board for the purposes of the administration of the commission.]

SECTION 7. Notwithstanding ORS 414.815, the amount of \$1 million is transferred from the

Law Enforcement Medical Liability Account to the Department of Human Services Account established in ORS 409.060.

SECTION 8. Notwithstanding ORS 411.894 (4), of the moneys in the Oregon JOBS Individual Education Account that are available for appropriation and transfer under ORS 411.894 (4) the amount of \$2.5 million is transferred from the Oregon JOBS Individual Education Account to the Department of Human Services Account established in ORS 409.060.

SECTION 9. (1) Out of the \$8,906,000 transferred to the Department of Human Services by section 2, chapter 273, Oregon Laws 1999, the department may distribute up to \$1,100,000 for a workers' compensation self-insurance pool for rehabilitation facilities.

(2) As used in this section, "rehabilitation facility" has the meaning given that term in section 2, chapter 273, Oregon Laws 1999.

SECTION 10. Section 21, chapter 942, Oregon Laws 2001, is amended to read:

Sec. 21. (1) The South Metro Commuter Rail Project Fund is established separate and distinct from the General Fund. The moneys in the South Metro Commuter Rail Project Fund and the interest earnings of the fund are continuously appropriated to the Department of Transportation for the purpose described in subsection (2) of this section. The fund shall consist of moneys deposited in the fund under section 19, **chapter 942, Oregon Laws 2001**, [of this 2001 Act] and may include fees, moneys or other revenues available for payment of expenses of the South Metro Commuter Rail Project, including federal funds collected or received as reimbursement for expenses of the project from the United States Department of Transportation or the Federal Highway Administration under the Transportation Equity Act for the 21st Century (P.L. 105-178), or Miscellaneous Receipts.

(2) Subject to subsection (3) of this section, moneys in the fund shall be available for immediate distribution to Washington County to pay the expenses of the project.

(3)(a) The Director of Transportation shall enter into a grant agreement by February 28, 2002, with Washington County that requires the department to disburse, over the course of the project, an aggregate amount of \$35 million to Washington County from the fund. Disbursements from the fund shall be made as soon as deposits accrue in the fund and shall commence when:

(A) Moneys are available;

(B) Washington County has entered into one or more contracts for final design, construction or acquisition of components of the South Metro Commuter Rail Project and the contracts have an aggregate value of at least \$20 million; and

(C) The Director of Transportation determines that the following conditions have occurred:

(i) Washington County has provided documentation that it will have sufficient financing to complete the project; and

(ii) Washington County has agreed in the grant agreement authorized by this section that the county will not request or accept any state General Fund moneys for the project. Upon completion of the project, if the aggregate expenditure of state and local moneys is less than [560] \$45 million, Washington County shall refund the difference to the fund established by this section.

(b) Upon satisfaction of the conditions described in paragraph (a) of this subsection, the Department of Transportation shall disburse \$20 million of the moneys in the fund to Washington County in the biennium beginning July 1, 2001.

(c) When moneys are available in the fund and Washington County certifies to the Department of Transportation that it has entered into one or more contracts for final design, construction or acquisition of components of the project that in the aggregate represent at least 58 percent of the project's costs, the department shall disburse \$15 million of the moneys in the fund to Washington County in the biennium beginning July 1, 2003.

(d)(A) Of the moneys deposited in the fund in the biennium beginning July 1, 2001, the Department of Transportation may use \$200,000 to pay the department's expenses in entering into and administering the grant agreement authorized by this section.

(B) Of the moneys deposited in the fund in the biennium beginning July 1, 2003, the Department of Transportation may use \$200,000 to pay the department's expenses in entering into and administering the grant agreement authorized by this subsection.

(4)(a) The state is not liable to the lenders, vendors or contractors of Washington County for any action or omission under sections 18 to 22, **chapter 942, Oregon Laws 2001**, [of this 2001 Act] or the grant agreement authorized by this section, except for a failure to allocate and deposit to the fund amounts required by section 19, **chapter 942, Oregon Laws 2001**, [of this 2001 Act] or to disburse from the fund to Washington County amounts required by this section and the grant agreement authorized by this section.

(b) The grant agreement must:

(A) Obligate the department to deposit the net proceeds of lottery bonds described in section 19, **chapter 942, Oregon Laws 2001**, [of this 2001 Act]

or, if necessary, the amounts described in section 22, **chapter 942, Oregon Laws 2001**, [of this 2001 Act] into the fund.

(B) Obligate Washington County to indemnify the state and its agencies and departments to the fullest extent permitted by law for any liability the state or its agencies and departments might incur in connection with any borrowing by Washington County for the project, except failure to allocate and deposit to the fund amounts required by section 19, **chapter 942, Oregon Laws 2001**, [of this 2001 Act] or amounts described in section 22, **chapter 942, Oregon Laws 2001**, [of this 2001 Act] or to disburse from the fund to Washington County amounts required by this section and the grant agreement authorized by this section.

(c) Washington County may assign and pledge its rights under the grant agreement to lenders, vendors or contractors. The Director of Transportation shall pledge the moneys available in the fund for the project.

SECTION 11. Notwithstanding ORS 456.720, the amount of \$3 million is transferred from the Housing Finance Fund to the Emergency Housing Account within the Oregon Housing Fund.

SECTION 12. Notwithstanding any limitation on the purposes for which moneys deposited in the Department of Justice Operating Account created in ORS 180.180 may be expended, the amount of \$1,221,428 is transferred from the Department of Justice Operating Account to the General Fund to be used for general governmental expenses.

SECTION 13. Section 3, chapter 815, Oregon Laws 2001, section 22, chapter 878, Oregon Laws 2001, section 8, chapter 964, Oregon Laws 2001, and section 3, chapter 978, Oregon Laws 2001, are repealed.

SECTION 14. This 2002 second special session Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2002 second special session Act takes effect on its passage.

Approved by the Governor March 12, 2002

Filed in the office of Secretary of State March 12, 2002

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