

CHAPTER 705

AN ACT

SB 5506

Relating to state financial administration; 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 this state during the 2013-2015 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

(1) Oregon University System (Art. XI-G):	
(a) Oregon State University:	
(A) Strand Agricultural Hall deferred maintenance	\$ 6,586,000
(B) Biofuels Demonstration Project	\$ 4,000,000
(C) Classroom Building and Quad	\$ 32,500,000
(D) Cascades Campus Expansion	\$ 4,000,000
(E) Chemistry, Biology and Environmental Engineering Building.....	\$ 20,000,000
(b) Portland State University:	
(A) School of Business	\$ 10,000,000
(B) Stott Center renovations and deferred maintenance	\$ 20,000,000
(c) University of Oregon:	
(A) Straub and Earl Halls classroom expansion	\$ 11,000,000
(B) Science Commons and Research Library	\$ 8,375,000
(d) Western Oregon University New College of Education Facility	\$ 1,400,000
(2) Department of Community Colleges and Workforce Development (Art. XI-G)	\$ 125,081,600
(3) Department of Environmental Quality (Art. XI-H)	\$ 10,000,000
(4) Oregon Business Development Department (Art. XI-M)	\$ 15,000,000
(5) Oregon Business Development Department (Art. XI-N)	\$ 15,000,000
(6) Oregon Department of Administrative Services (Art. XI-Q).....	\$ 426,052,000
<u>Dedicated Fund Obligations</u>	
(7) Department of Transportation (Art. XI, section 7)	\$ 453,725,000
(8) Department of Veterans' Affairs (Art. XI-A)	\$ 60,000,000
(9) Oregon University System (Art. XI-F(1)):	
(a) Systemwide:	
(A) Capital renewal, code compliance and safety.....	\$ 3,300,000
(B) Commercial paper	\$ 15,000,000
(C) Student building fee projects	\$ 20,000,000
(b) Oregon Institute of Technology In Focus Building acquisition	\$ 10,000,000
(c) Oregon State University:	

(A) Student Experience Center...	\$ 42,700,000
(B) New student residence hall...	\$ 19,000,000
(C) Memorial Union East Wing renovation	\$ 9,177,500
(D) Cascades campus expansion..	\$ 4,000,000
(E) Housing and dining facility upgrades.....	\$ 9,500,000
(d) Portland State University:	
(A) Stott Center renovations and deferred maintenance	\$ 2,000,000
(B) Land acquisition.....	\$ 10,000,000
(e) Southern Oregon University:	
(A) Cascade Hall replacement.....	\$ 7,000,000
(B) Student Recreation and Fitness Center	\$ 20,000,000
(f) University of Oregon:	
(A) Erb Memorial Union	\$ 84,300,000
(B) Student Recreation Center expansion and renovation.....	\$ 50,250,000
(C) Housing expansion	\$ 84,750,000
(10) Water Resources Department (Art. XI-I(1))	\$ 10,235,000
(11) Housing and Community Services Department (Art. XI-I(2))	\$ 25,000,000
(12) State Department of Energy (Art. XI-J).....	\$ 60,000,000
<u>Total General Obligation Bonds</u>	<u>\$ 1,708,932,100</u>

SECTION 2. The amounts authorized, as provided by ORS 286A.035, for issuance of revenue bonds of this state during the 2013-2015 biennium are as follows:

REVENUE BONDS

Direct Revenue Bonds

Housing and Community Services Department.....	\$ 150,000,000
Department of Transportation, Oregon Transportation Infrastructure Fund.....	\$ 20,400,000
Highway User Tax Bonds.....	\$ 846,690,000
Toll-backed Revenue Bonds ..	\$ 663,000,000
Oregon Business Development Department.....	\$ 35,000,000
Oregon Department of Administrative Services lottery revenue bonds.....	\$ 157,557,715
State Department of Energy ..	\$ 20,000,000
Oregon University System....	\$ 50,000,000
<u>Total Direct Revenue Bonds</u>	<u>\$ 1,942,647,715</u>

Pass-Through Revenue Bonds

Oregon Business Development Department industrial development bonds.....	\$ 65,000,000
Oregon Facilities Authority..	\$ 450,000,000
Housing and Community Services Department.....	\$ 150,000,000
<u>Total Pass-Through Revenue Bonds</u>	<u>\$ 665,000,000</u>
<u>Total Revenue Bonds</u>	<u>\$ 2,607,647,715</u>

SECTION 3. The amount authorized, as provided by ORS 286A.035, for issuance of certificates of participation and other financing agreements of this state during the 2013-2015 bi-

ennium for the Oregon Department of Administrative Services is \$40,000,000.

SECTION 4. The amounts allocated for private activity bonds, as provided in ORS 286A.615, are as follows:

- (1) For calendar year 2014, the amount of \$370,438,535 is allocated as follows:
 - (a) Oregon Business Development Department \$ 40,000,000
 - (b) Housing and Community Services Department..... \$ 125,000,000
 - (c) State Department of Energy \$ 10,000,000
 - (d) Private Activity Bond Committee..... \$ 195,438,535
- (2) For calendar year 2015, the amount of \$370,438,535 is allocated as follows:
 - (a) Oregon Business Development Department \$ 40,000,000
 - (b) Housing and Community Services Department..... \$ 125,000,000
 - (c) State Department of Energy \$ 10,000,000
 - (d) Private Activity Bond Committee..... \$ 195,438,535
- (3) If an increase in the state's population, a sufficient increase in the region's 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 \$370,438,535 during the 2014 calendar year or \$370,438,535 during the 2015 calendar year, the increase is allocated to the Private Activity Bond Committee.

SECTION 5. (1) For purposes of Article XI-F(1), section 1, of the Oregon Constitution, the Legislative Assembly determines that the projects authorized to be financed pursuant to section 1 (9) of this 2013 Act with bonds issued under Article XI-F(1) of the Oregon Constitution, will benefit higher education institutions or activities.

(2) 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) and (2) of this 2013 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) and (2) of this 2013 Act may not be issued until the constructing authority certifies to the State Treasurer 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 or loan to the constructing authority, that the match funds are not proceeds of indebtedness incurred by the state under any article of the Oregon Constitution, and

that the match funds are available to the constructing authority in an amount at least equal to the amount of Article XI-G bond proceeds that the constructing authority will receive.

SECTION 7. (1) The Department of Transportation may not request and the State Treasurer may not issue any bonds for the Interstate 5 Bridge Replacement Project until the conditions set forth in section 3 (4), chapter 4, Oregon Laws 2013 (Enrolled House Bill 2800), have been satisfied.

(2) In lieu of the general obligation bonds authorized for the Department of Transportation under section 1 (7) of this 2013 Act, the State Treasurer may issue up to \$453,725,000 of revenue bonds as provided in chapter 4, Oregon Laws 2013 (Enrolled House Bill 2800). The amount of bonds authorized under section 1 (7) of this 2013 Act for the Department of Transportation shall be reduced, and the amount of bonds authorized under section 2 of this 2013 Act for the Department of Transportation shall be increased, by the amount of any revenue bonds issued in lieu of the general obligation bonds authorized under section 1 (7) of this 2013 Act.

SECTION 8. (1) Out of the amount specified in section 1 (6) of this 2013 Act, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed \$15 million of net proceeds for the purposes specified in subsection (3) 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 unless:

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

(i) 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) Replacing the courthouse, whether by acquiring and remodeling or repairing an existing building or by constructing a new building, is more cost-effective than remodeling or repairing the courthouse; and

(iii) Replacing the courthouse creates an opportunity for colocation of the court with other public offices; and

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

(b) 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) of this section and shall consult with the Judicial Department regarding the sale of bonds to be issued pursuant to this section.

(3) The State Treasurer shall deposit the net proceeds of bonds issued pursuant to this section 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 courthouses or portions of courthouses that are owned or operated by the State of Oregon.

(4) 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 9. (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 a lease agreement or an intergovernmental agreement with respect to 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 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 section 8 of this 2013 Act with respect to the courthouse or portions of a courthouse that are the subject of the agreement. The amount transferred by a county pursuant to this paragraph may comprise property tax revenues, bond proceeds or any other county moneys singly or in any combination and proportion.

(B) 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 colocation of state facilities in the courthouse.

(2) For purposes of section 8 of this 2013 Act, 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 section 8 of this 2013 Act 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 section 8 of this 2013 Act will remain outstanding.

SECTION 10. Notwithstanding any provision of law:

(1) General obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution prior to January 1, 2013, for community college projects must be issued not later than June 30, 2015. Project approvals for general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution prior to January 1, 2013, for community college projects, expire on June 30, 2015.

(2) A community college may not have more than one project approved for funding with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution that is awaiting matching funds, other than projects approved prior to January 1, 2013.

(3) A community college for which a project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2013 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2017, unless the community college withdraws the project approved under this 2013 Act.

(4) For biennia beginning on or after July 1, 2015, the aggregate amount authorized for issuance of general obligation bonds under Article XI-G of the Oregon Constitution for projects at a single community college may not exceed \$8 million.

SECTION 11. Notwithstanding section 9, chapter 786, Oregon Laws 2013 (Enrolled Senate Bill 5533), the State Treasurer may not issue the lottery bonds authorized by section 9, chapter 786, Oregon Laws 2013 (Enrolled Senate Bill 5533), unless the following conditions are met no later than March 31, 2015:

(1) The Governor's office has approved a finance and development plan to help prepare the site of the Willamette Falls Legacy Project for a public access project;

(2) A local or regional public sponsor of the project has secured a property interest in, or option on, a riverfront portion of the property that was formerly the site of the Blue Heron paper mill; and

(3) A local or regional public sponsor of the project has requested that the State Parks and Recreation Department participate in the planning, development and potential future operation of any public access project on the site to ensure that the statewide significance of Wil-

lamette Falls is recognized and interpreted and that the falls are accessible to the public.

SECTION 12. (1) Notwithstanding any other provision of law, the State Treasurer may not issue any bond to finance the Oregon Convention Center hotel project unless the following conditions are met no later than March 31, 2015:

(a) An intergovernmental agreement has been signed to dedicate site-specific local transient lodging taxes from the Oregon Convention Center hotel to support debt service on bonds for hotel construction;

(b) An agreement has been signed by Metro and a private developer for development of the Oregon Convention Center hotel; and

(c) The amount of state bond proceeds used to finance the project is estimated in public documents to be less than 5 percent of total project cost.

(2) As used in this section, "Metro" means the metropolitan service district organized under ORS chapter 268.

SECTION 13. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect July 1, 2013.

Approved by the Governor July 29, 2013
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