

House Bill 2782

Sponsored by Representative RAYFIELD, Senators KNOPP, GELSER, Representative BUEHLER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes issuance of bonds under Articles XI-G and XI-Q of Oregon Constitution to finance expansion of Oregon State University-Cascades campus.

Declares emergency, effective July 1, 2017.

A BILL FOR AN ACT

1
2 Relating to financing of expansion of Oregon State University-Cascades campus; and declaring an
3 emergency.

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

5 **SECTION 1. (1) In addition to and not in lieu of any authorization to issue general obli-**
6 **gation bonds under ORS 286A.035, in the biennium beginning July 1, 2017, the State Treas-**
7 **urer, at the request of the related agency, may issue Article XI-G bonds in:**

8 (a) **An amount not to exceed \$15 million of net proceeds and interest earnings for the**
9 **purpose specified in subsection (2) of this section, plus an amount estimated by the State**
10 **Treasurer to pay bond-related costs; and**

11 (b) **The manner provided by ORS chapter 286A.**

12 (2) **Net proceeds and interest earnings from bonds issued under this section must be de-**
13 **posited in the OSU-Cascades Expansion XI-G Construction Fund established in section 2 of**
14 **this 2017 Act to match available funds, dollar for dollar, for the purposes specified in section**
15 **2 of this 2017 Act.**

16 (3)(a) **As used in this section, "bond-related costs" means:**

17 (A) **The costs of paying the principal of, the interest on and the premium, if any, on Ar-**
18 **ticle XI-G bonds.**

19 (B) **The costs and expenses of issuing, administering and maintaining Article XI-G bonds**
20 **including, but not limited to, the costs and expenses of:**

21 (i) **Redeeming Article XI-G bonds.**

22 (ii) **Paying amounts due in connection with credit enhancement devices or agreements**
23 **for exchange of interest rates.**

24 (iii) **Paying the fees, administrative costs and expenses of the State Treasurer or the**
25 **related agency, including the costs of consultants or advisers retained by the State Treasurer**
26 **or the related agency.**

27 (C) **The costs of funding reserves for the Article XI-G bonds.**

28 (D) **Capitalized interest for the Article XI-G bonds.**

29 (E) **Rebates or penalties due to the United States in connection with the Article XI-G**
30 **bonds.**

31 (F) **Any other costs or expenses that the State Treasurer or the related agency deter-**

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.

1 mines are necessary or desirable in connection with issuing and maintaining the Article XI-G
 2 bonds.

3 (b) As used in this section and in ORS chapter 286A with respect to this section, “related
 4 agency” means the Higher Education Coordinating Commission.

5 **SECTION 2.** (1) The OSU-Cascades Expansion XI-G Construction Fund is established in
 6 the State Treasury, separate and distinct from the General Fund. Interest earned on moneys
 7 in the OSU-Cascades Expansion XI-G Construction Fund shall be credited to the fund.

8 (2) The fund consists of moneys deposited in the fund under section 1 of this 2017 Act
 9 and may include:

10 (a) Fees, revenues and other moneys appropriated by the Legislative Assembly for deposit
 11 in the fund; and

12 (b) Other moneys available to the Higher Education Coordinating Commission for the
 13 purposes described in subsection (4) of this section.

14 (3) Moneys in the fund are continuously appropriated to the Higher Education Coordi-
 15 nating Commission for the purposes described in subsection (4) of this section.

16 (4) Moneys in the fund may be used to:

17 (a) Finance acquisition, construction, design, improvement, repair, equipping or furnish-
 18 ing of property relating to the following projects on the Oregon State University-Cascades
 19 campus:

20 (A) Site reclamation and restoration;

21 (B) Campus infrastructure construction and renovation;

22 (C) Academic Building 2 construction;

23 (D) Student Success Center construction; and

24 (E) Graduate and Research Center renovation;

25 (b) Pay the costs of the commission to administer the fund; and

26 (c) Pay bond-related costs, as defined in section 1 of this 2017 Act.

27 **SECTION 3.** (1) The OSU-Cascades Expansion XI-G Bond Fund is established in the State
 28 Treasury, separate and distinct from the General Fund. Amounts in the bond fund may be
 29 invested as provided in ORS 293.701 to 293.857 and interest earned on the bond fund must be
 30 credited to the bond fund. Amounts credited to the bond fund are continuously appropriated
 31 to the Oregon Department of Administrative Services for the purpose of paying, when due,
 32 the principal of, the interest on and the premium, if any, on outstanding Article XI-G bonds
 33 issued under section 1 of this 2017 Act. The department shall deposit in the bond fund:

34 (a) Capitalized or accrued interest on Article XI-G bonds issued under section 1 of this
 35 2017 Act;

36 (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit
 37 in the bond fund; and

38 (c) Reserves established for the payment of Article XI-G bonds issued under section 1
 39 of this 2017 Act.

40 (2) The department may create separate accounts in the bond fund for reserves and debt
 41 service for each series of Article XI-G bonds issued under section 1 of this 2017 Act.

42 **SECTION 4.** (1) The OSU-Cascades Expansion XI-G Bond Administration Fund is estab-
 43 lished in the State Treasury, separate and distinct from the General Fund. Amounts in the
 44 bond administration fund may be invested as provided in ORS 293.701 to 293.857 and interest
 45 earned on the bond administration fund must be credited to the bond administration fund.

1 Amounts credited to the bond administration fund are continuously appropriated to the
 2 Oregon Department of Administrative Services for payment of bond-related costs. The de-
 3 partment shall credit to the bond administration fund:

4 (a) Proceeds of Article XI-G bonds issued under section 1 of this 2017 Act that were is-
 5 sued to pay bond-related costs; and

6 (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit
 7 in the bond administration fund.

8 (2) The department may create separate accounts in the bond administration fund.

9 **SECTION 5.** (1) In addition to and not in lieu of any authorization to issue general obli-
 10 gation bonds under ORS 286A.035, in the biennium beginning July 1, 2017, the State Treas-
 11 urer, at the request of the related agency, may issue Article XI-Q bonds in:

12 (a) An amount not to exceed \$54,490,000 of net proceeds and interest earnings for the
 13 purpose specified in subsection (2) of this section, plus an amount estimated by the State
 14 Treasurer to pay bond-related costs; and

15 (b) The manner provided by ORS chapter 286A.

16 (2) Net proceeds and interest earnings from bonds issued under this section must be de-
 17 posited in the OSU-Cascades Expansion XI-Q Construction Fund established in section 6 of
 18 this 2017 Act, to be used for the purposes specified in section 6 of this 2017 Act.

19 (3)(a) As used in this section, “bond-related costs” means:

20 (A) The costs of paying the principal of, the interest on and the premium, if any, on Ar-
 21 ticle XI-Q bonds.

22 (B) The costs and expenses of issuing, administering and maintaining Article XI-Q bonds
 23 including, but not limited to, the costs and expenses of:

24 (i) Redeeming Article XI-Q bonds.

25 (ii) Paying amounts due in connection with credit enhancement devices or agreements
 26 for exchange of interest rates.

27 (iii) Paying the fees, administrative costs and expenses of the State Treasurer or the
 28 related agency, including the costs of consultants or advisers retained by the State Treasurer
 29 or the related agency.

30 (C) The costs of funding reserves for the Article XI-Q bonds.

31 (D) Capitalized interest for the Article XI-Q bonds.

32 (E) Rebates or penalties due to the United States in connection with the Article XI-Q
 33 bonds.

34 (F) Any other costs or expenses that the State Treasurer or the related agency deter-
 35 mines are necessary or desirable in connection with issuing and maintaining the Article XI-Q
 36 bonds.

37 (b) As used in this section and in ORS chapter 286A with respect to this section, “related
 38 agency” means the Higher Education Coordinating Commission.

39 **SECTION 6.** (1) The OSU-Cascades Expansion XI-Q Construction Fund is established in
 40 the State Treasury, separate and distinct from the General Fund. Interest earned on moneys
 41 in the OSU-Cascades Expansion XI-Q Construction Fund shall be credited to the fund.

42 (2) The fund consists of moneys deposited in the fund under section 5 of this 2017 Act
 43 and may include:

44 (a) Fees, revenues and other moneys appropriated by the Legislative Assembly for deposit
 45 in the fund; and

1 (b) Other moneys available to the Higher Education Coordinating Commission for the
2 purposes described in subsection (4) of this section.

3 (3) Moneys in the fund are continuously appropriated to the Higher Education Coordi-
4 nating Commission for the purposes described in subsection (4) of this section.

5 (4) Moneys in the fund may be used to:

6 (a) Finance acquisition, construction, design, improvement, repair, equipping or furnish-
7 ing of property relating to the following projects on the Oregon State University-Cascades
8 campus:

9 (A) Site reclamation and restoration;

10 (B) Campus infrastructure construction and renovation;

11 (C) Academic Building 2 construction;

12 (D) Student Success Center construction; and

13 (E) Graduate and Research Center renovation;

14 (b) Pay the costs of the commission to administer the fund; and

15 (c) Pay bond-related costs, as defined in section 5 of this 2017 Act.

16 **SECTION 7.** (1) The OSU-Cascades Expansion XI-Q Bond Fund is established in the State
17 Treasury, separate and distinct from the General Fund. Amounts in the bond fund may be
18 invested as provided in ORS 293.701 to 293.857 and interest earned on the bond fund must be
19 credited to the bond fund. Amounts credited to the bond fund are continuously appropriated
20 to the Oregon Department of Administrative Services for the purpose of paying, when due,
21 the principal of, the interest on and the premium, if any, on outstanding Article XI-Q bonds
22 issued under section 5 of this 2017 Act. The department shall deposit in the bond fund:

23 (a) Capitalized or accrued interest on Article XI-Q bonds issued under section 5 of this
24 2017 Act;

25 (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit
26 in the bond fund; and

27 (c) Reserves established for the payment of Article XI-Q bonds issued under section 5
28 of this 2017 Act.

29 (2) The department may create separate accounts in the bond fund for reserves and debt
30 service for each series of Article XI-Q bonds issued under section 5 of this 2017 Act.

31 **SECTION 8.** (1) The OSU-Cascades Expansion XI-Q Bond Administration Fund is estab-
32 lished in the State Treasury, separate and distinct from the General Fund. Amounts in the
33 bond administration fund may be invested as provided in ORS 293.701 to 293.857 and interest
34 earned on the bond administration fund must be credited to the bond administration fund.
35 Amounts credited to the bond administration fund are continuously appropriated to the
36 Oregon Department of Administrative Services for payment of bond-related costs. The de-
37 partment shall credit to the bond administration fund:

38 (a) Proceeds of Article XI-Q bonds issued under section 5 of this 2017 Act that were is-
39 sued to pay bond-related costs; and

40 (b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit
41 in the bond administration fund.

42 (2) The department may create separate accounts in the bond administration fund.

43 **SECTION 9.** This 2017 Act being necessary for the immediate preservation of the public
44 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect
45 on July 1, 2017.

