

# Senate Bill 1566

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## 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**.

Establishes Employer Incentive Fund. Appropriates moneys in fund to Public Employees Retirement Board for purpose of matching portions of certain lump sum payments of employer contributions to Public Employees Retirement System.

Directs Department of Revenue to establish general tax amnesty program of limited duration. Directs department to transfer certain moneys collected under program to Public Employees Retirement Fund to be credited to side account for school districts.

Directs transfer of certain proceeds from debt collection, capital gains tax, estate tax, marijuana tax, wine, cider and malt beverage privilege tax and lawsuit settlements to Public Employees Retirement Fund to be credited to side account for school districts.

Directs transfer of certain proceeds from lottery revenues to Public Employees Retirement Fund to be credited to side accounts for school districts, community colleges and public universities.

Provides that Department of State Lands shall distribute certain proceeds from sale of unclaimed property in Common School Fund Account to Public Employees Retirement Fund to be credited to side account for school districts.

Directs State Treasurer to study feasibility and prudence of borrowing moneys in Oregon Short Term Fund to be redeployed into investments. Directs State Treasurer to report to Legislative Assembly on results of study no later than September 30, 2019.

Provides for direct review by Supreme Court.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to employer contributions to the Public Employees Retirement System; and prescribing an  
3 effective date.

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

### EMPLOYER INCENTIVE FUND

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7  
8 **SECTION 1. (1) The Employer Incentive Fund is established in the State Treasury, sep-**  
9 **arate and distinct from the General Fund. Interest earned by the Employer Incentive Fund**  
10 **shall be credited to the fund, but interest earned may not be used under section 2 of this 2018**  
11 **Act to match lump sum payments made under ORS 238.229.**

12 **(2) Moneys in the fund are continuously appropriated to the Public Employees Retirement**  
13 **Board for the purposes described in section 2 of this 2018 Act.**

14 **(3) The State Treasurer shall invest the assets of the fund to achieve the highest rate**  
15 **of return possible while maintaining the liquidity necessary to transfer amounts from the**  
16 **fund as provided in section 2 of this 2018 Act.**

17 **SECTION 2. (1)(a) The Public Employees Retirement Board shall establish a process for**  
18 **distributing the moneys in the Employer Incentive Fund established under section 1 of this**  
19 **2018 Act.**

20 **(b) The process must allow a participating public employer to apply to reserve matching**

**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 amounts in the Employer Incentive Fund by committing to make a qualifying lump sum  
 2 payment to an account established under ORS 238.229.

3 (2) The board shall adopt rules establishing:

4 (a) The percentage of a lump sum payment that may be matched by distributions from  
 5 the fund, not to exceed 25 percent of a qualifying lump sum payment.

6 (b) The maximum matching amount that may be reserved by a participating public em-  
 7 ployer, not to exceed \$\_\_\_\_\_.

8 (c) The qualifications for lump sum payments that may be matched under this section.  
 9 The qualifications must include the following requirements:

10 (A) The participating public employer must apply to reserve matching funds no later than  
 11 December 31, 2019.

12 (B) The participating public employer must make the qualifying lump sum payment no  
 13 later than July 1, 2023.

14 (C) A qualifying lump sum payment may not be a payment from moneys borrowed by the  
 15 employer.

16 (3)(a) The board may begin accepting applications under subsection (1) of this section on  
 17 the date on which the board determines that there are sufficient moneys in the Employer  
 18 Incentive Fund.

19 (b) For 180 days after the board begins accepting applications under subsection (1) of this  
 20 section, a participating public employer may apply to reserve matching amounts from the  
 21 Employer Incentive Fund under subsection (1) of this section only if the employer's employer  
 22 contribution rate calculated under ORS 238.225 is more than 200 percent of the employer's  
 23 payroll for members of the Public Employees Retirement System.

24 (4) The board shall approve applications that meet the qualifications established under  
 25 subsection (2) of this section in the order in which the applications are submitted. The board  
 26 shall continue approving applications as long as moneys in the Employer Incentive Fund are  
 27 available.

28 (5) The board shall transfer matching amounts approved under subsection (4) of this  
 29 section from the Employer Incentive Fund to the approved employers' accounts established  
 30 under ORS 238.229.

31 (6) The board may transfer moneys from the Employer Incentive Fund to the Public  
 32 Employees Retirement Fund established under ORS 238.660 for crediting to the reserves for  
 33 pension accounts and annuities as provided in ORS 238.670 (2).

34 **SECTION 3.** (1) Section 2 of this 2018 Act is repealed January 2, 2025.

35 (2)(a) The Employer Incentive Fund established under section 1 of this 2018 Act is abol-  
 36 ished on January 2, 2025.

37 (b) The unexpended moneys remaining in the Employer Incentive Fund on January 2,  
 38 2025, shall be transferred to the General Fund.

39  
 40 **TAX AMNESTY PROGRAM**

41  
 42 **SECTION 4.** (1) The Department of Revenue shall develop and administer a tax amnesty  
 43 program for taxpayers.

44 (2) The tax amnesty program shall be conducted during the period beginning on October  
 45 1, 2018, and ending November 19, 2018.

1       (3) The tax amnesty program applies to tax years, reporting periods and estates for which  
2 the department could issue a notice of deficiency under ORS 305.265 or 314.410, as amended  
3 and in effect on the day before the effective date of this 2018 Act.

4       (4) The department shall publicize the tax amnesty program through appropriate out-  
5 reach and media activities in order to maximize public awareness of and participation in the  
6 program.

7       (5) The department may prescribe forms, issue instructions, conduct public meetings and  
8 undertake any other action necessary to maximize public participation in and compliance  
9 with the tax amnesty program and the collection of tax liabilities to which the program ap-  
10 plies.

11       **SECTION 5.** (1) A taxpayer who meets all of the following requirements during the period  
12 described in section 4 (2) of this 2018 Act may participate in the tax amnesty program au-  
13 thorized under section 4 of this 2018 Act:

14       (a) The taxpayer was required to:

15       (A) File a tax return under ORS chapter 314, 316, 317 or 318 for a tax year that begins  
16 before January 1, 2017;

17       (B) Pay personal income tax imposed under ORS chapter 316 for a tax year or reporting  
18 period that begins before January 1, 2017;

19       (C) Pay tax imposed under ORS chapter 317 or 318 for a tax year or reporting period that  
20 begins before January 1, 2017;

21       (D) File a return under ORS chapter 118 and pay any required tax, if the return was due  
22 prior to January 1, 2017; or

23       (E) Pay any tax imposed on net earnings from self-employment pursuant to ORS 267.385,  
24 if required to do so prior to January 1, 2017;

25       (b) The taxpayer files a completed amnesty application with the Department of Revenue,  
26 signed under penalty of perjury, to participate in the tax amnesty program; and

27       (c) Within 60 days after the conclusion of the tax amnesty program, the taxpayer does  
28 all of the following:

29       (A) Files a completed tax return or report for all tax years or reporting periods described  
30 in paragraph (a) of this subsection for which the taxpayer had not previously done so;

31       (B) Files a completed amended tax return or report for all tax years or reporting periods  
32 described in paragraph (a) of this subsection for which the taxpayer underreported or  
33 underpaid the tax liability of the taxpayer; and

34       (C) Pays in full the taxes due, and 50 percent of the interest due, for all tax years or  
35 reporting periods described in paragraph (a) of this subsection or applies for an installment  
36 payment agreement under subsection (5) of this section that applies to the taxes and interest  
37 due for all tax years or reporting periods described in paragraph (a) of this subsection for  
38 which taxes remain unpaid.

39       (2) Notwithstanding subsection (1) of this section, a taxpayer may not participate in the  
40 tax amnesty program if, prior to the starting date of the period described in section 4 (2) of  
41 this 2018 Act, the department has issued a notice of deficiency to the taxpayer or has as-  
42 sessed a tax for a tax year for which the taxpayer could otherwise apply for amnesty under  
43 this section.

44       (3) In addition to the other requirements prescribed in subsection (1) of this section, a  
45 taxpayer who has filed a petition for bankruptcy protection under Title 11 of the United

1 States Code may participate in the tax amnesty program if the taxpayer submits an order  
2 from a United States Bankruptcy Court allowing the taxpayer to participate in the tax am-  
3 nesty program.

4 (4) A taxpayer who participates in the tax amnesty program described in this section  
5 may not request a refund with respect to any tax paid under the tax amnesty program and  
6 waives any right to appeal any tax reported on a tax return or report filed or paid under  
7 subsection (1) of this section or pursuant to an installment payment agreement entered into  
8 under subsection (5) of this section.

9 (5)(a) A taxpayer may apply for an installment payment agreement for the payment of  
10 taxes reported and due under subsection (1) of this section. The application shall be made  
11 on a form prescribed by the department and shall be due at the time the taxpayer files a  
12 completed for amnesty application under subsection (1) of this section.

13 (b) The department shall enter into an installment payment agreement with a taxpayer  
14 who has applied under paragraph (a) of this subsection and shall establish a payment sched-  
15 ule if the department concludes that the agreement will facilitate the efficient collection of  
16 the outstanding tax liability.

17 (c) Any interest that remains unpaid upon a taxpayer's entering an installment payment  
18 agreement shall be reduced by 50 percent.

19 (d) All outstanding taxes and interest subject to an installment payment agreement en-  
20 tered into under this subsection must be paid on or before May 31, 2020.

21 **SECTION 6.** (1) For any taxpayer who fully complies with the tax amnesty program de-  
22 scribed in section 5 of this 2018 Act, the Department of Revenue shall waive all applicable  
23 penalties, including criminal penalties that would otherwise apply under ORS 314.075 and  
24 314.991 (1), that would otherwise apply to the taxes being reported and paid under section 5  
25 of this 2018 Act, and shall waive 50 percent of any interest otherwise due.

26 (2)(a) If the department has entered into an installment payment agreement with the  
27 taxpayer, the failure of the taxpayer to fully comply with the terms of the agreement voids  
28 the agreement and the waiver of penalties under subsection (1) of this section, and the total  
29 amount of tax, interest and all applicable penalties becomes immediately due and payable.  
30 The reduced interest rate applicable under section 5 (5)(c) of this 2018 Act is voided and re-  
31 placed by the rate established under ORS 305.220, which is applicable to any amount of out-  
32 standing tax liability that remains unpaid by the taxpayer.

33 (b) This subsection does not apply if the department determines that the failure to fully  
34 comply with the terms of the installment payment agreement is due to reasonable causes.

35 **SECTION 7.** (1) An amount equal to 25 percent of the total amount of unpaid tax that is  
36 otherwise due is added to the amount of outstanding tax liability for any tax year or re-  
37 porting period for which amnesty could be sought under section 5 of this 2018 Act and for  
38 which the taxpayer failed to apply for amnesty and:

39 (a) Failed to file a return or report; or

40 (b) Filed an original or amended return that failed to report tax liability or that  
41 underreported tax liability.

42 (2) If, following the closure of the amnesty period specified in section 4 (2) of this 2018  
43 Act, the Department of Revenue issues a notice of deficiency with respect to an unreported  
44 or underreported tax liability for a tax year for which an amnesty application was filed under  
45 section 5 of this 2018 Act, an amount equal to 25 percent of the total amount of unpaid tax

1 that is otherwise due is added to the amount of outstanding tax liability.

2 (3) The penalties imposed under this section do not apply to any additional tax liability  
3 that results from an adjustment made to a return by the Internal Revenue Service, unless  
4 the service has finally imposed a penalty under sections 6662, 6662A, 6663 or 7201 of the  
5 Internal Revenue Code.

6 (4) The penalties imposed under this section are in addition to and not in lieu of any  
7 other penalty.

8 **SECTION 8.** (1) Sections 4 to 7 and 10 of this 2018 Act are repealed January 2, 2023.

9 (2)(a) The Tax Amnesty Fund established under section 10 of this 2018 Act is abolished  
10 on January 2, 2023.

11 (b) The unexpended moneys remaining in the Tax Amnesty Fund on January 2, 2023, shall  
12 be transferred to the General Fund.

13 **SECTION 9.** Sections 4 to 7 of this 2018 Act are added to and made a part of ORS chapter  
14 314.

15 **SECTION 10.** (1) The Tax Amnesty Fund is established in the State Treasury, separate  
16 and distinct from the General Fund. Interest earned by the Tax Amnesty Fund shall be  
17 credited to the fund. Moneys in the fund are continuously appropriated to the Department  
18 of Revenue.

19 (2)(a) Except as provided in paragraph (b) of this subsection, all moneys received by the  
20 department under sections 4 to 7 of this 2018 Act shall be deposited in the Tax Amnesty  
21 Fund. The department shall be reimbursed from the fund for costs incurred by the depart-  
22 ment to administer sections 4 to 7 of this 2018 Act. The total amount of costs paid under this  
23 subsection may not exceed \$1 million.

24 (b) Moneys received by the department under sections 4 to 7 of this 2018 Act with respect  
25 to taxes imposed under ORS 267.385 on net earnings from self-employment and any penalties  
26 imposed on those taxes shall be paid to the transit district that imposed the tax, as provided  
27 in ORS 305.620. Costs incurred by the department to administer sections 4 to 7 of this 2018  
28 Act on behalf of transit districts may be recovered by the department as provided in ORS  
29 305.620.

30 (3) The department shall certify to the Emergency Board or to the Joint Interim Com-  
31 mittee on Ways and Means, or to the Joint Committee on Ways and Means if the Legislative  
32 Assembly is in session, the costs that are incurred by the department in carrying out the  
33 purposes of sections 4 to 7 of this 2018 Act.

34 (4) The unexpended moneys remaining in the Tax Amnesty Fund on June 30, 2021, shall  
35 be transferred to the Public Employees Retirement Fund established in ORS 238.660. The  
36 Public Employees Retirement Board shall credit the amounts transferred to the account es-  
37 tablished under section 24 (1) of this 2018 Act.

38 **SECTION 11.** Notwithstanding any other law limiting expenditures, the amount of \$1 is  
39 established for the biennium beginning July 1, 2017, as the maximum limit for payment of  
40 expenses by the Department of Revenue from moneys deposited into the Tax Amnesty Fund  
41 established under section 10 of this 2018 Act.

42  
43 **PROCEEDS FROM DEBT COLLECTION**

44  
45 **SECTION 12.** (1) Not earlier than July 1 and not later than October 1 of the years 2021,

1 2023 and 2025, the Department of Revenue shall calculate the average biennial amount col-  
 2 lected by the department for liquidated and delinquent accounts under ORS 293.231 and  
 3 293.250 during the three biennia preceding the immediately preceding biennium.

4 (2) Notwithstanding ORS 293.250, if the amount collected by the department for liquidated  
 5 and delinquent accounts under ORS 293.231 and 293.250 during the immediately preceding  
 6 biennium exceeds the average biennial amount calculated under subsection (1) of this sec-  
 7 tion, the department shall transfer an amount equal to the excess to the Public Employees  
 8 Retirement Fund established in ORS 238.660. The Public Employees Retirement Board shall  
 9 credit the amounts transferred to the account established under section 24 (1) of this 2018  
 10 Act.

11 (3) The department shall retain amounts collected by the department for liquidated and  
 12 delinquent accounts under ORS 293.231 and 293.250 in an amount necessary to make the  
 13 transfer required under subsection (2) of this section. The department shall make the  
 14 transfer out of the amounts retained in lieu of crediting the proceeds to the accounts or  
 15 funds of state agencies or counties.

#### 16 PROCEEDS FROM CAPITAL GAINS TAX

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 18  
 19 **SECTION 13.** (1) Not later than May 15 of the years 2019, 2021 and 2023, the Oregon De-  
 20 partment of Administrative Services, in consultation with the Department of Revenue, shall  
 21 estimate the average annual tax liability from personal income taxes on taxable capital gains  
 22 during the five consecutive tax years beginning January 1 of the even-numbered year that  
 23 falls during the biennium preceding the immediately preceding biennium.

24 (2) Not later than June 15 of the odd-numbered year following each estimate under sub-  
 25 section (1) of this section, the Oregon Department of Administrative Services, in consulta-  
 26 tion with the Department of Revenue, shall estimate the average annual tax liability from  
 27 personal income taxes on taxable capital gains during the two consecutive tax years begin-  
 28 ning January 1 of the immediately preceding odd-numbered year.

29 (3) Not later than June 30 of the odd-numbered year in which the estimate is made under  
 30 subsection (2) of this section, the Oregon Department of Administrative Services, in consul-  
 31 tation with the Department of Revenue, shall calculate the excess, if any, of the amount  
 32 estimated under subsection (2) of this section over the amount estimated under subsection  
 33 (1) of this section and notify the Department of Revenue of that amount.

34 (4) The Department of Revenue shall transfer an amount equal to the amount of the  
 35 excess calculated under subsection (3) of this section, less any amount required to be re-  
 36 turned to taxpayers under ORS 291.349, to the Public Employees Retirement Fund established  
 37 under ORS 238.660. The Public Employees Retirement Board shall credit the amounts trans-  
 38 ferred to the account established under section 24 (1) of this 2018 Act.

39 (5) The Department of Revenue shall retain unreceipted revenue from the tax imposed  
 40 under ORS chapter 316 in an amount necessary to make the transfer required under sub-  
 41 section (4) of this section. The department shall make the transfer out of the unreceipted  
 42 revenue in lieu of paying the revenue over to the State Treasurer for deposit in the General  
 43 Fund.

44 **SECTION 14.** (1) The Oregon Department of Administrative Services, in consultation with  
 45 the Department of Revenue, shall make the first estimate required under section 13 (1) of

1 this 2018 Act not later than May 15, 2019. The estimate shall be for the five consecutive tax  
2 years beginning January 1, 2014.

3 (2) The first transfer under section 13 of this 2018 Act to the Public Employees Retirement  
4 Fund established under ORS 238.660 may not occur prior to June 1, 2021.

5  
6 **PROCEEDS FROM ESTATE TAXES**  
7

8 **SECTION 15.** (1) Not later than May 15 of the years 2019, 2021 and 2023, the Oregon De-  
9 partment of Administrative Services, in consultation with the Department of Revenue, shall  
10 estimate the average annual tax liability from estate taxes imposed under ORS 118.005 to  
11 118.540 during the five consecutive calendar years beginning January 1 of the even-numbered  
12 year that falls during the biennium preceding the immediately preceding biennium.

13 (2) Not later than June 15 of the odd-numbered year following each estimate under sub-  
14 section (1) of this section, the Oregon Department of Administrative Services, in consulta-  
15 tion with the Department of Revenue, shall estimate the average annual tax liability from  
16 estate taxes imposed under ORS 118.005 to 118.540 during the two consecutive calendar years  
17 beginning January 1 of the immediately preceding odd-numbered year.

18 (3) Not later than June 30 of the odd-numbered year in which the estimate is made under  
19 subsection (2) of this section, the Oregon Department of Administrative Services, in consul-  
20 tation with the Department of Revenue, shall calculate the excess, if any, of the amount  
21 estimated under subsection (2) of this section over the amount estimated under subsection  
22 (1) of this section and notify the Department of Revenue of that amount.

23 (4) The Department of Revenue shall transfer an amount equal to the amount of the  
24 excess calculated under subsection (3) of this section to the Public Employees Retirement  
25 Fund established under ORS 238.660. The Public Employees Retirement Board shall credit the  
26 amounts transferred to the account established under section 24 (1) of this 2018 Act.

27 (5) The Department of Revenue shall retain unreceipted revenue from estate taxes im-  
28 posed under ORS 118.005 to 118.540 in an amount necessary to make the transfer required  
29 under subsection (4) of this section. The department shall make the transfer out of the un-  
30 receipted revenue in lieu of paying the revenue over to the State Treasurer for deposit in the  
31 General Fund.

32 **SECTION 16.** (1) The Oregon Department of Administrative Services, in consultation with  
33 the Department of Revenue, shall make the first estimate required under section 15 (1) of  
34 this 2018 Act not later than May 15, 2019. The estimate shall be for the five consecutive  
35 calendar years beginning January 1, 2014.

36 (2) The first transfer under section 15 of this 2018 Act to the Public Employees Retirement  
37 Fund established under ORS 238.660 may not occur prior to June 1, 2021.

38  
39 **PROCEEDS FROM MARIJUANA TAX**  
40

41 **SECTION 17.** (1) No earlier than July 1 and no later than October 1 of the years 2021, 2023  
42 and 2025, the Oregon Department of Administrative Services shall compare:

43 (a) The amount estimated to be received pursuant to the tax imposed under ORS 475B.705  
44 for the immediately preceding biennium in the last estimate under ORS 475B.712 before the  
45 beginning of the immediately preceding biennium; and

1 (b) The revenue received pursuant to the tax imposed under ORS 475B.705 during the  
2 immediately preceding biennium.

3 (2) If the Oregon Department of Administrative Services determines that the amount  
4 specified in subsection (1)(b) of this section exceeds the amount specified in subsection (1)(a)  
5 of this section, the Department of Revenue shall transfer an amount equal to the excess  
6 from the suspense account established under ORS 475B.760 to the Public Employees Retirement  
7 Fund established under ORS 238.660. The Public Employees Retirement Board shall  
8 credit the amounts transferred to the account established under section 24 (1) of this 2018  
9 Act.

10 (3) The Department of Revenue shall retain unreceipted revenue from the tax imposed  
11 under ORS 475B.705 in an amount necessary to make the transfer required under subsection  
12 (2) of this section. The department shall make the transfer out of the unreceipted revenue  
13 in lieu of paying the revenue over to the State Treasurer for deposit in the suspense account  
14 established under ORS 475B.760.

15  
16 **PROCEEDS FROM WINE, CIDER AND**  
17 **MALT BEVERAGE PRIVILEGE TAX**  
18

19 **SECTION 18.** (1) No earlier than July 1 and no later than October 1 of the years 2021, 2023  
20 and 2025, the Oregon Liquor Control Commission shall compare:

21 (a) The revenue estimated to be received pursuant to taxes imposed under ORS chapter  
22 473 during the immediately preceding biennium in the first estimate under ORS 291.349 after  
23 the beginning of the immediately preceding biennium; and

24 (b) The revenue received pursuant to taxes imposed under ORS chapter 473 during the  
25 immediately preceding biennium.

26 (2) If the commission determines that the amount specified in subsection (1)(b) of this  
27 section exceeds the amount specified in subsection (1)(a) of this section, the commission  
28 shall transfer an amount equal to the excess to the Public Employees Retirement Fund es-  
29 tablished under ORS 238.660. The Public Employees Retirement Board shall credit the  
30 amounts transferred to the account established under section 24 (1) of this 2018 Act.

31 (3) The commission shall retain unreceipted revenue from the taxes imposed under ORS  
32 chapter 473 in an amount necessary to make the transfer required under subsection (2) of  
33 this section. The commission shall make the transfer out of the unreceipted revenue in lieu  
34 of paying the revenue over to the State Treasurer for deposit in the General Fund.

35  
36 **PROCEEDS FROM LOTTERY REVENUES**  
37

38 **SECTION 19.** (1) No earlier than July 1 and no later than October 1 of the years 2019, 2021  
39 and 2023, the Oregon Department of Administrative Services shall compare:

40 (a) The amount of State Lottery Fund revenues estimated to be received in the biennium  
41 beginning July 1, 2017, after payment of constitutionally required distributions from the fund,  
42 in the first estimate under ORS 291.349 after the beginning of the biennium beginning July  
43 1, 2017; and

44 (b) The amount of State Lottery Fund revenues received in the biennium immediately  
45 preceding the date of the comparison, after payment of constitutionally required distrib-

1 utions from the fund.

2 (2) If the Oregon Department of Administrative Services determines that the amount  
 3 specified in subsection (1)(b) of this section exceeds the amount specified in subsection (1)(a)  
 4 of this section, an amount equal to the excess shall be transferred from the State Lottery  
 5 Fund to the Public Employees Retirement Fund established under ORS 238.660. The Public  
 6 Employees Retirement Board shall credit the amounts transferred to the accounts estab-  
 7 lished under section 24 of this 2018 Act.

8 (3) As used in this section, “State Lottery Fund revenues” has the meaning given that  
 9 term in ORS 291.348.

10  
 11 **PROCEEDS FROM LAWSUIT SETTLEMENTS**

12  
 13 **SECTION 20.** If the State of Oregon receives proceeds from the settlement of a lawsuit  
 14 to which the state is a party that are not dedicated by the settlement agreement or by law  
 15 to a specific purpose, the proceeds shall be transferred to the Public Employees Retirement  
 16 Fund established under ORS 238.660. The Public Employees Retirement Board shall credit the  
 17 amounts transferred to the account established under section 24 (1) of this 2018 Act.

18 **SECTION 21.** Section 20 of this 2018 Act applies to proceeds from settlement agreements  
 19 entered into on or before June 30, 2025.

20  
 21 **PROCEEDS FROM UNCLAIMED PROPERTY**

22  
 23 **SECTION 22.** (1) Notwithstanding ORS 98.396, on January 1, 2019, the Department of  
 24 State Lands shall make available for distribution through the Common School Fund 35 per-  
 25 cent of the proceeds from the sale of unclaimed property to which the state has not taken  
 26 title deposited in the Common School Fund Account under ORS 98.386. The proceeds made  
 27 available under this section shall be distributed through the Common School Fund to the  
 28 Public Employees Retirement Fund, to be credited to the account established under section  
 29 24 (1) of this 2018 Act.

30 (2) The department shall pay any claims for the amounts of the proceeds as provided by  
 31 ORS 98.396. If there are insufficient funds in the Common School Fund Account to pay a  
 32 claim under this subsection, the department shall notify the Public Employees Retirement  
 33 Board and the board shall transfer the moneys necessary to pay the claim from the account  
 34 established under section 24 (1) of this 2018 Act to the department for the purpose of paying  
 35 the claim.

36 **SECTION 23.** Section 22 of this 2018 Act applies to proceeds from the sale of property  
 37 that are deposited in the Common School Fund Account before January 1, 2019.

38  
 39 **SIDE ACCOUNTS FOR SCHOOL DISTRICTS,  
 40 COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES**

41  
 42 **SECTION 24.** (1) The Public Employees Retirement Board shall establish an account un-  
 43 der ORS 238.229 (2) for the moneys transferred to the Public Employees Retirement Fund  
 44 under sections 10, 12, 13, 15, 17 to 20 and 22 of this 2018 Act. The board shall credit 100 per-  
 45 cent of the moneys transferred to the fund under sections 10, 12, 13, 15, 17, 20 and 22 of this

1 2018 Act and \_\_ percent of the moneys transferred to the fund under section 19 of this 2018  
 2 Act to the account to be applied against the liabilities of participating public employers that  
 3 are school districts, as provided in ORS 238.229.

4 (2) The Public Employees Retirement Board shall establish an account under ORS 238.229  
 5 (2) for moneys transferred to the Public Employees Retirement Fund under section 19 of this  
 6 2018 Act. The board shall credit \_\_ percent of the moneys transferred to the fund under  
 7 section 19 of this 2018 Act to the account to be applied against the liabilities of participating  
 8 public employers that are community college districts and public universities listed in ORS  
 9 352.002, as provided in ORS 238.229.

10  
 11 **STUDY BY STATE TREASURER**

12  
 13 **SECTION 25.** (1) The State Treasurer shall study the feasibility and prudence of borrow-  
 14 ing monies currently deposited by state agencies and other state entities into the Oregon  
 15 Short Term Fund created by ORS 293.728 to be redeployed by the Oregon Investment Council  
 16 into investments in the Public Employees Retirement Fund created in ORS 238.660, that  
 17 would generate a higher rate of return sufficient to repay the borrowing and make supple-  
 18 mental deposits targeted at reducing the unfunded actuarial liability of the Public Employees  
 19 Retirement System. The study must include an examination of recent similar actions in  
 20 other states.

21 (2) The State Treasurer shall report to the Legislative Assembly in the manner provided  
 22 in ORS 192.245 on the results of the study performed under subsection (1) of this section no  
 23 later than September 30, 2019.

24  
 25 **REVIEW BY SUPREME COURT**

26  
 27 **SECTION 26.** (1) Jurisdiction is conferred upon the Supreme Court to determine in the  
 28 manner provided by this section whether this 2018 Act violates any provision of the Oregon  
 29 Constitution or of the United States Constitution.

30 (2) A person who is adversely affected by this 2018 Act or who will be adversely affected  
 31 by this 2018 Act may institute a proceeding for review by filing with the Supreme Court a  
 32 petition that meets the following requirements:

33 (a) The petition must be filed within 60 days after the effective date of this 2018 Act.

34 (b) The petition must include the following:

35 (A) A statement of the basis of the challenge; and

36 (B) A statement and supporting affidavit showing how the petitioner is adversely af-  
 37 fected.

38 (3) The petitioner shall serve a copy of the petition by registered or certified mail upon  
 39 the Public Employees Retirement Board, the Attorney General and the Governor.

40 (4) Proceedings for review under this section shall be given priority over all other mat-  
 41 ters before the Supreme Court.

42 (5) The Supreme Court shall allow public employers participating in the Public Employees  
 43 Retirement System to intervene in any proceeding under this section.

44 (6)(a) The Supreme Court shall allow members of the Legislative Assembly to intervene  
 45 in any proceeding relating to this 2018 Act. After a member intervenes in a proceeding re-

1 **lating to this 2018 Act, the member has standing to participate in the proceeding even if the**  
2 **member ceases to be a member of the Legislative Assembly.**

3 **(b) A member of the Senate or the House of Representatives who intervenes in or par-**  
4 **ticipates in a proceeding under this subsection may not use public funds to pay legal ex-**  
5 **penses incurred in intervening in or participating in the proceeding.**

6 **(7) In the event the Supreme Court determines that there are factual issues in the peti-**  
7 **tion, the Supreme Court may appoint a special master to hear evidence and to prepare re-**  
8 **commended findings of fact.**

9 **(8) The Supreme Court may not award attorney fees to a petitioner in a proceeding under**  
10 **this section.**

11  
12 **CAPTIONS**

13  
14 **SECTION 27. The unit captions used in this 2018 Act are provided only for the conven-**  
15 **ience of the reader and do not become part of the statutory law of this state or express any**  
16 **legislative intent in the enactment of this 2018 Act.**

17  
18 **EFFECTIVE DATE**

19  
20 **SECTION 28. This 2018 Act takes effect on the 91st day after the date on which the 2018**  
21 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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