

# House Bill 3280

Sponsored by Representative SMITH DB

## 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**.

Provides that bonds may be issued under Article XI-Q of Oregon Constitution for improvement of courthouses if Chief Justice of Supreme Court determines that remodeling, renovation or expansion of court facilities is necessary or desirable.

## A BILL FOR AN ACT

1  
2 Relating to improvements to court facilities; amending sections 8 and 9, chapter 705, Oregon Laws  
3 2013, and section 64, chapter 723, Oregon Laws 2013.

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

5 **SECTION 1.** Section 8, chapter 705, Oregon Laws 2013, as amended by section 6, chapter 121,  
6 Oregon Laws 2014, and section 2, chapter 118, Oregon Laws 2016, is amended to read:

7 **Sec. 8.** (1) Out of the amount specified in section 1 (6), chapter 705, Oregon Laws 2013, the State  
8 Treasurer may issue Article XI-Q bonds in an amount not to exceed \$19 million of net proceeds for  
9 the purposes specified in subsection (3) of this section, plus an amount estimated by the State  
10 Treasurer to pay estimated bond-related costs.

11 (2)(a) [*Bonds may not be issued pursuant to this section or section 10, chapter 685, Oregon Laws*  
12 *2015,*] **Courthouse improvement bonds may not be issued** unless:

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

14 (i) The courthouse with respect to which the bonds will be issued has significant structural de-  
15 fects, including seismic defects, that present actual or potential threats to human health and safety;

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

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

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

23 **(b) Notwithstanding paragraph (a) of this subsection, courthouse improvement bonds may**  
24 **be issued if the Chief Justice of the Supreme Court has determined that remodeling, reno-**  
25 **vation or expansion of the court facilities with respect to which the bonds will be issued is**  
26 **necessary or desirable.**

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

31 (3) The State Treasurer shall deposit the net proceeds of [*bonds issued pursuant to this section*

**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 *and section 10, chapter 685, Oregon Laws 2015,]* **courthouse improvement bonds** in the Oregon  
 2 Courthouse Capital Construction and Improvement Fund. The net proceeds and any interest  
 3 earnings may be used solely to finance costs related to acquiring, constructing, remodeling, **reno-**  
 4 **vating, expanding,** repairing, equipping or furnishing land, improvements, courthouses or portions  
 5 of courthouses that are, or that upon completion of a project funded under this section will be,  
 6 owned or operated by the State of Oregon.

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

8 (a) “Project agency” means the Judicial Department.

9 (b) “Project fund” means the Oregon Courthouse Capital Construction and Improvement Fund.

10 (5) **As used in this section, “courthouse improvement bond” means a bond issued pursu-**  
 11 **ant to this section, section 10, chapter 685, Oregon Laws 2015, or section 10, chapter 570,**  
 12 **Oregon Laws 2017.**

13 **SECTION 2.** Section 9, chapter 705, Oregon Laws 2013, as amended by section 7, chapter 121,  
 14 Oregon Laws 2014, and section 3, chapter 118, Oregon Laws 2016, is amended to read:

15 **Sec. 9.** (1)(a) Notwithstanding ORS 1.185, a county and the state, acting by and through the  
 16 Oregon Department of Administrative Services on behalf of the Judicial Department, may enter into  
 17 interim agreements that provide for the funding, acquisition, development and construction, **re-**  
 18 **modeling, renovation or expansion** of a courthouse and require the parties to negotiate in good  
 19 faith and execute a long-term lease agreement or a long-term intergovernmental agreement with  
 20 respect to the ownership or operation of a courthouse or portions of a courthouse that the county  
 21 is required to provide under ORS 1.185, pursuant to which the state agrees to provide the property  
 22 and services described in ORS 1.185 (1)(a).

23 (b)(A) An agreement entered into pursuant to this subsection may include a requirement that  
 24 the county transfer to the Oregon Courthouse Capital Construction and Improvement Fund an  
 25 amount not less than 50 percent of the total estimated costs of a project funded with [*bonds issued*  
 26 *pursuant to section 8, chapter 705, Oregon Laws 2013, or section 10, chapter 685, Oregon Laws 2015,*  
 27 *with respect to]* **courthouse improvement bonds issued for** the courthouse or portions of a court-  
 28 house that are the subject of the agreement.

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

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

32 (ii) A credit equal to the higher of the appraised value or the actual purchase price of land  
 33 purchased by the county for the courthouse if the state approves of the land as the site for the  
 34 courthouse.

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

38 (2) For purposes of section 8, chapter 705, Oregon Laws 2013, [*and section 10, chapter 685,*  
 39 *Oregon Laws 2015,]* the state shall be considered to operate a courthouse or portions of a courthouse  
 40 that are the subject of an agreement entered into pursuant to subsection (1) of this section if, as  
 41 applicable:

42 (a) The lease agreement conveys to the state a full leasehold interest, including exclusive rights  
 43 to control and use the courthouse or portions of the courthouse that are typical of a long-term lease,  
 44 for a term that is at least equal to the term during which the [*bonds issued pursuant to section 8,*  
 45 *chapter 705, Oregon Laws 2013, and section 10, chapter 685, Oregon Laws 2015,]* **courthouse im-**

1 **provement bonds** will remain outstanding.

2 (b) The intergovernmental agreement grants the state the exclusive right to control and use the  
3 courthouse or portions of the courthouse for a term that is at least equal to the term during which  
4 the [*bonds issued pursuant to section 8, chapter 705, Oregon Laws 2013, and section 10, chapter 685,*  
5 *Oregon Laws 2015,*] **courthouse improvement bonds** will remain outstanding.

6 **(3) As used in this section, “courthouse improvement bond” has the meaning given that**  
7 **term in section 8, chapter 705, Oregon Laws 2013.**

8 **SECTION 3.** Section 64, chapter 723, Oregon Laws 2013, as amended by section 4, chapter 118,  
9 Oregon Laws 2016, is amended to read:

10 **Sec. 64.** (1) The Oregon Courthouse Capital Construction and Improvement Fund is established  
11 in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in  
12 the Oregon Courthouse Capital Construction and Improvement Fund shall be credited to the fund.

13 (2) The fund consists of [*moneys deposited in the fund pursuant to section 8, chapter 705, Oregon*  
14 *Laws 2013, and section 10, chapter 685, Oregon Laws 2015,*] **proceeds of courthouse improvement**  
15 **bonds** and moneys transferred to the fund by a county pursuant to section 9 (1)(b), chapter 705,  
16 Oregon Laws 2013, and may include fees, revenues and other moneys appropriated by the Legislative  
17 Assembly for deposit in the fund.

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

19 (a) The purposes described in section 8 (3), chapter 705, Oregon Laws 2013;

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

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

22 **(4) As used in this section, “courthouse improvement bond” has the meaning given that**  
23 **term in section 8, chapter 705, Oregon Laws 2013.**

24