

Senate Bill 5505

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

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 amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium.

Establishes amounts allocated for private activity bonds.

Makes legislative findings regarding benefits to higher education institutions and community colleges from issuance of bonds under Article XI-G of Oregon Constitution.

Declares emergency, effective July 1, 2021.

A BILL FOR AN ACT

Relating to state financial administration; creating new provisions; amending ORS 283.085; 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 the state during the 2021-2023 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

(1) Higher Education Coordinating Commission (Art. XI-G):		
(a) Eastern Oregon University, Inlow Hall Renovation, Phase II	\$	600,000
(b) Oregon State University:		
(A) Cascades Phase II Remediation and Campus Infrastructure ..	\$	870,000
(B) Cordley Hall Renovation, Phase II	\$	25,375,000
(c) Portland State University, Gateway Center Reuse and Extension	\$	5,105,000
(d) University of Oregon, Heritage Building Renovation	\$	5,960,000
(e) Blue Mountain Community College, Facility for Agricultural Resource Management.....	\$	6,615,000

Note: For budget, see 2021-2023 Biennial Budget

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	(f)	Central Oregon Community		
2		College, Classroom Building		
3		Redmond Campus.....	\$	8,125,000
4	(g)	Chemeketa Community		
5		College, Building 7 Remodel..	\$	8,125,000
6	(h)	Klamath Community College,		
7		Childcare Resource Learning		
8		Center	\$	1,540,000
9	(i)	Linn-Benton Community		
10		College, Agricultural Center .	\$	8,125,000
11	(j)	Mt. Hood Community College,		
12		Maywood Park Center.....	\$	8,125,000
13	(k)	Oregon Coast Community		
14		College, Workforce Education		
15		and Resiliency Center	\$	8,125,000
16	(L)	Rogue Community College,		
17		Transportation Technology		
18		Center	\$	7,120,000
19	(m)	Tillamook Bay Community		
20		College, Classroom and		
21		Office Building and		
22		Renovations.....	\$	8,125,000
23	(n)	Treasure Valley Community		
24		College, Nursing-Allied		
25		Health Professions Center	\$	5,015,000
26	(2)	Department of Environmental		
27		Quality (Art. XI-H)	\$	10,300,000
28	(3)	Oregon Business Development		
29		Department (Art. XI-M)	\$	110,995,000
30	(4)	Oregon Business Development		
31		Department (Art. XI-N).....	\$	50,620,000
32	(5)	Department of Education		
33		(Art. XI-P)	\$	138,065,000
34	(6)	Oregon Department of		
35		Administrative		
36		Services (Art. XI-Q):		
37	(a)	Department of Revenue,		
38		Electronic Valuation		
39		Information System	\$	4,245,000
40	(b)	Oregon Military Department:		
41	(A)	Ashland Armory Service		
42		Life Extension.....	\$	5,480,000
43	(B)	Corvallis Armory Service		
44		Life Extension.....	\$	4,375,000
45	(C)	Kliever Armory Service		

1	Life Extension.....	\$ 6,265,000
2	(D) McMinnville Armory	
3	Service Life Extension.....	\$ 5,640,000
4	(c) Oregon State Police:	
5	(A) Central Point Office Capital	
6	Improvement and Renewal ...	\$ 3,260,000
7	(B) Central Point Office	
8	Expansion.....	\$ 34,435,000
9	(C) Springfield Forensic Lab and	
10	Medical Examiner’s Office	\$ 62,710,000
11	(D) Springfield Patrol Area	
12	Command Office.....	\$ 14,490,000
13	(d) Department of Corrections:	
14	(A) Capital Improvement and	
15	Renewal.....	\$ 70,745,000
16	(B) Adult in Custody	
17	Computing Platform.....	\$ 475,000
18	(C) Distribution Services	
19	Equipment.....	\$ 1,365,000
20	(D) Mailroom Centralization	\$ 1,495,000
21	(E) Off-Net Telephone	
22	Infrastructure.....	\$ 3,920,000
23	(F) Opioid Overdose	
24	Prevention Body Scanners....	\$ 1,080,000
25	(G) Opioid Overdose	
26	Prevention TruNarc.....	\$ 195,000
27	(H) OSP Minimum Security	
28	Training and Recruiting	
29	Center	\$ 4,590,000
30	(I) Skype to Teams Migration....	\$ 800,000
31	(e) Oregon Youth Authority:	
32	(A) Camp Riverbend Dorm	
33	Renovation	\$ 6,975,000
34	(B) Capital Improvements.....	\$ 6,880,000
35	(C) JJIS IT System	
36	Modernization	\$ 16,855,000
37	(D) MacLaren Emergency	
38	Generator Replacement	\$ 1,825,000
39	(E) MacLaren West Cottages	
40	Renovations.....	\$ 8,125,000
41	(F) Oak Creek Parole and	
42	Probation Building Removal	
43	and Replacement.....	\$ 1,685,000
44	(G) Tillamook Dorm Renovation .	\$ 10,495,000
45	(f) Oregon Health Authority:	

1	(A) OSH Salem Additional		
2	Office Space	\$	1,775,000
3	(B) OSH Salem Remodel		
4	Therapy Tub Rooms.....	\$	650,000
5	(C) OSH Salem Well Water		
6	Treatment Facility.....	\$	4,555,000
7	(D) OSH Salem/Junction City		
8	Automated Dispensing		
9	Cabinets	\$	3,555,000
10	(E) OSH Salem/Junction City		
11	Equipment Replacement	\$	935,000
12	(F) OSH Salem/Pendleton		
13	Deferred Maintenance.....	\$	1,425,000
14	(g) Higher Education		
15	Coordinating Commission:		
16	(A) Public Universities Capital		
17	Improvement and Renewal ...	\$	80,810,000
18	(B) Eastern Oregon University,		
19	Inlow Hall Renovation,		
20	Phase II	\$	17,920,000
21	(C) Oregon State University:		
22	(i) Cascades Phase II Remediation		
23	and Campus Infrastructure ..	\$	16,040,000
24	(ii) Cordley Hall Renovation,		
25	Phase II	\$	61,690,000
26	(D) Portland State University,		
27	Gateway Center Reuse and		
28	Extension	\$	45,585,000
29	(E) University of Oregon,		
30	Heritage Building Renovation	\$	53,285,000
31	(F) FAMIS System Replacement	\$	5,105,000
32	(h) Department of Education:		
33	(A) Oregon School for the Deaf		
34	ADA Restrooms	\$	1,065,000
35	(B) Oregon School for the Deaf		
36	Fire Alarm System		
37	Replacement.....	\$	3,145,000
38	(C) Oregon School for the Deaf		
39	Windows Upgrade	\$	1,425,000
40	(i) State Forestry Department:		
41	(A) Capital Improvements.....	\$	4,885,000
42	(B) Toledo Facility Replacement		
43	Phase II	\$	1,121,580
44	(j) Oregon Department of		
45	Fish and Wildlife,		

1	Deferred Maintenance.....	\$ 10,175,000
2	(k) Housing and Community	
3	Services Department,	
4	Local Innovation and Fast	
5	Track (LIFT) Housing	
6	Permanent Supportive	
7	Housing, Land	
8	Acquisition.....	\$ 252,180,000
9	(L) Judicial Department:	
10	(A) Benton County Courthouse...	\$ 26,985,000
11	(B) Clackamas County	
12	Courthouse.....	\$ 63,700,000
13	(C) Lane County Courthouse	\$ 94,895,000
14	(D) Linn County Courthouse.....	\$ 16,110,000
15	(E) Supreme Court Building	
16	Renovation.....	\$ 21,950,000
17	<u>Dedicated Fund Obligations</u>	
18	(7) Department of Veterans'	
19	Affairs (Art. XI-A).....	\$ 180,000,000
20	(8) Department of Environmental	
21	Quality (Art. XI-H)	\$ 10,000,000
22	(9) Housing and Community	
23	Services Department	
24	(Art. XI-I(2))	\$ 50,000,000
25	(10) Oregon Department of	
26	Administrative Services	
27	(Art. XI-Q):	
28	(a) Executive Building Interior	
29	and Seismic Renovation.....	\$ 45,620,000
30	(b) North Valley Complex	
31	Infrastructure Upgrades/	
32	Tenant Improvements.....	\$ 60,820,000
33	(c) Yellow Parking Lot Paving ...	\$ 4,055,000
34	(d) State Forestry Department,	
35	Toledo Facility Replacement,	
36	Phase II	\$ 1,558,420
37	(e) Oregon Liquor Control	
38	Commission:	
39	(A) Liquor Warehouse Conveyor	
40	System	\$ 10,175,000
41	(B) Liquor Warehouse Land	
42	and Building.....	\$ 53,170,000
43	(C) Liquor Warehouse	
44	Management IT System.....	\$ 27,390,000
45	<u>Total General Obligation</u>	

1 **Bonds** \$ 1,929,090,000

2 **SECTION 2.** The amounts authorized, as provided by ORS 286A.035, for issuance of re-
 3 venue bonds of the state during the 2021-2023 biennium are as follows:

4
 5 **REVENUE BONDS**

6 **Direct Revenue Bonds**

7 **Housing and Community**
 8 **Services Department**..... \$ 500,000,000
 9 **Department of**
 10 **Transportation**..... \$ 880,000,000
 11 **Oregon Business Development**
 12 **Department**..... \$ 30,000,000
 13 **Oregon Department of**
 14 **Administrative Services,**
 15 **Lottery Revenue Bonds** \$ 342,545,000

16 **Total Direct Revenue**

17 **Bonds** \$ 1,752,545,000

18 **Pass-Through Revenue Bonds**

19 **Oregon Business Development**
 20 **Department, Industrial**
 21 **Development Bonds**..... \$ 600,000,000
 22 **Oregon Business Development**
 23 **Department, Beginning and**
 24 **Expanding Farmer Loan**
 25 **Program** \$ 2,500,000
 26 **Oregon Facilities Authority**.. \$ 1,000,000,000
 27 **Housing and Community**
 28 **Services Department**..... \$ 900,000,000

29 **Total Pass-Through Revenue**

30 **Bonds** \$ 2,502,500,000

31 **Total Revenue Bonds** \$ 4,255,045,000

32 **SECTION 3.** The amount authorized, as provided by ORS 286A.035, for issuance of cer-
 33 tificates of participation and other financing agreements of the state during the 2021-2023
 34 biennium for the Oregon Department of Administrative Services is \$201,240,000.

35 **SECTION 4.** (1) For calendar year 2022, the amount of \$442,862,385 is allocated for private
 36 activity bonds, as provided in ORS 286A.615, as follows:

- 37 (a) **Oregon Business Development**
 38 **Department, Industrial**
 39 **Development Bonds**..... \$ 40,000,000
 40 (b) **Oregon Business Development**
 41 **Department, Beginning and**
 42 **Expanding Farmer Loan**
 43 **Program** \$ 1,000,000
 44 (c) **Housing and Community**
 45 **Services Department**..... \$ 250,000,000

- 1 (d) Private Activity Bond
- 2 Committee..... \$ 151,862,385
- 3 (2) For calendar year 2023, the amount of \$442,862,385 is allocated for private activity
- 4 bonds, as provided in ORS 286A.615, as follows:
- 5 (a) Oregon Business Development
- 6 Department, Industrial
- 7 Development Bonds..... \$ 40,000,000
- 8 (b) Oregon Business Development
- 9 Department, Beginning and
- 10 Expanding Farmer Loan
- 11 Program \$ 1,000,000
- 12 (c) Housing and Community
- 13 Services Department..... \$ 250,000,000
- 14 (d) Private Activity Bond
- 15 Committee..... \$ 151,862,385

16 (3) If an increase in this state’s population, a sufficient increase in the Consumer Price
 17 Index or a change in federal law allows the private activity bond limit as set by the Internal
 18 Revenue Code of 1986, as amended, to exceed \$442,862,385 during the 2022 calendar year or
 19 \$442,862,385 during the 2023 calendar year, the increase is allocated to the Private Activity
 20 Bond Committee.

21 **SECTION 5.** For purposes of Article XI-G, section 1, of the Oregon Constitution, the
 22 Legislative Assembly determines that the projects authorized to be financed pursuant to
 23 section 1 (1) of this 2021 Act with bonds issued under Article XI-G of the Oregon Constitution
 24 will benefit higher education institutions or activities or community colleges authorized by
 25 law to receive state aid.

26 **SECTION 6.** Bonds authorized under section 1 (1) of this 2021 Act may not be issued until
 27 the constructing authority certifies that the constructing authority has matching funds
 28 available for the same or similar purposes as the Article XI-G bonds that will fund the grant
 29 to the constructing authority, that the matching funds are not proceeds of indebtedness in-
 30 curred by the state under any other article of the Oregon Constitution, and that the
 31 matching funds are available to the constructing authority in an amount at least equal to
 32 the amount of indebtedness incurred by the state through the issuance of the Article XI-G
 33 bonds.

34 **SECTION 7.** Of the proceeds from the lottery revenue bonds authorized under section 2
 35 of this 2021 Act, \$6,500,000 may be used to provide the required matching funds in relation
 36 to the Article XI-G bonds authorized under section 1 (1)(e) of this 2021 Act.

37 **SECTION 8.** (1) Out of the amount specified in section 1 (6)(L)(A) of this 2021 Act, the
 38 State Treasurer may issue Article XI-Q bonds in an amount not to exceed \$26,600,000 of net
 39 proceeds for the purposes and in the manner specified in section 8, chapter 705, Oregon Laws
 40 2013, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

41 (2) Out of the amount specified in section 1 (6)(L)(B) of this 2021 Act, the State Treasurer
 42 may issue Article XI-Q bonds in an amount not to exceed \$63,000,000 of net proceeds for the
 43 purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an
 44 amount estimated by the State Treasurer to pay estimated bond-related costs.

45 (3) Out of the amount specified in section 1 (6)(L)(C) of this 2021 Act, the State Treasurer

1 **may issue Article XI-Q bonds in an amount not to exceed \$94,000,000 of net proceeds for the**
 2 **purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an**
 3 **amount estimated by the State Treasurer to pay estimated bond-related costs.**

4 **(4) Out of the amount specified in section 1 (6)(L)(D) of this 2021 Act, the State Treasurer**
 5 **may issue Article XI-Q bonds in an amount not to exceed \$15,900,000 of net proceeds for the**
 6 **purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an**
 7 **amount estimated by the State Treasurer to pay estimated bond-related costs.**

8 **SECTION 9.** ORS 283.085 is amended to read:

9 283.085. As used in ORS 283.085 to 283.092:

10 (1) "Available funds" means funds appropriated or otherwise made available by the Legislative
 11 Assembly to pay amounts due under a financing agreement for the fiscal period in which the pay-
 12 ments are due, unexpended proceeds of the financing agreement and reserves or other amounts that
 13 have been deposited in trust to pay amounts due under the financing agreement.

14 (2) "Credit enhancement agreement" means any agreement or contractual relationship between
 15 the state and any bank, trust company, insurance company, surety bonding company, pension fund
 16 or other financial institution providing additional credit on or security for a financing agreement
 17 or certificates of participation authorized by ORS 283.085 to 283.092.

18 (3) "Financing agreement" means a lease purchase agreement, an installment sale agreement, a
 19 loan agreement or any other agreement:

20 (a) To finance real or personal property that is or will be owned and operated by the state or
 21 any of its agencies;

22 (b) To finance infrastructure, including but not limited to telecommunications systems, systems
 23 for water, sewage, electricity, steam or natural gas and other equipment or improvements that are
 24 necessary or appropriate to support a facility that is, or will be, owned or operated by the state;

25 (c) To finance infrastructure components that are, or will be, owned or operated by a local
 26 government agency of this state if the Director of the Oregon Department of Administrative Services
 27 determines that financing the infrastructure facilitates the construction or operation of an adult or
 28 juvenile corrections facility or a public safety training facility owned or operated by the state or
 29 any of its agencies;

30 (d) To finance all or a portion of the state's pension liabilities for retirement, health care or
 31 disability benefits, in an amount that produces net proceeds that do not exceed the State Treasurer's
 32 estimate of those liabilities based on information provided to the State Treasurer by the Public
 33 Employees Retirement System;

34 (e) To finance:

35 (A) The release of all or a portion of the Elliott State Forest from restrictions resulting from
 36 ownership of that forest by the Common School Fund; or

37 (B) Compensation paid to the Common School Fund for the preservation of noneconomic benefits
 38 of the forest through the imposition, transfer or sale of restrictions such as easements, use require-
 39 ments or other methods that preserve noneconomic benefits of the forest for the public, including
 40 recreation, aesthetics, wildlife or habitat preservation or other environmental and quality of life
 41 considerations; [or]

42 **(f) To finance the costs of broadband projects in Oregon communities through grants,**
 43 **loans or other methods, including costs of planning, engineering, improvement, acquisition,**
 44 **construction and deployment of broadband infrastructure, including middle-mile and last-**
 45 **mile infrastructure, costs of acquiring equipment and other technology to operate broadband**

1 **networks, and costs of acquiring or providing broadband services; or**

2 [(f)] (g) To refinance previously executed financing agreements.

3 (4) "Financing costs" means costs or expenses that the director determines are necessary or
4 desirable in connection with entering into financing agreements and maintaining the certificate of
5 participation program, including but not limited to payment of:

6 (a) Amounts due under financing agreements;

7 (b) Costs and obligations the director or any other agency of the state incurs in connection with
8 the exercise of a power granted by ORS 283.085 to 283.092; and

9 (c) Amounts due in connection with the investment of proceeds of financing agreements.

10 (5) "Personal property" means tangible personal property, software and fixtures.

11 (6) "Property rights" means, with respect to personal property, the rights of a secured party
12 under ORS chapter 79, and, with respect to real property, the rights of a trustee or lender under a
13 lease authorized by ORS 283.089 (1)(e).

14 (7) "Software" means software and training and maintenance contracts related to the operation
15 of computing equipment.

16 **SECTION 10. This 2021 Act being necessary for the immediate preservation of the public**
17 **peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect**
18 **July 1, 2021.**