

## HB 3581 STAFF MEASURE SUMMARY

### House Committee On Judiciary

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**Action Date:** 03/30/23

**Action:** Do pass and be referred to Ways and Means by prior reference

**Vote:** 10-0-0-0

**Yeas:** 10 - Andersen, Bynum, Chaichi, Conrad, Kropf, Lewis, Morgan, Reynolds, Tran, Wallan

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Amie Fender-Sosa, LPRO Analyst

**Meeting Dates:** 3/27, 3/30

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#### WHAT THE MEASURE DOES:

Expands the permitted use for XI-Q bonds from replacing a courthouse to also include expansion of a courthouse (including remodeling or repairing space in an existing building or constructing a new space); allows for remediation of structural defects; continues to require Department of Administrative Services approval, after a determination has been made by the Chief Justice of the Supreme Court that the requirements in the measure are met. Allows for a credit to the county equal to the appraised value or the actual purchase price (whichever value is higher) of any space in existing buildings being converted to a courthouse and state office use if the state approves the conversion and a credit for relocating costs.

#### ISSUES DISCUSSED:

- In 1981, the state assumed responsibility for court staff and public defense; counties retained responsibility for court buildings and court functions
- The XI-Q bond falls short for many counties; only allows the building of a new courthouse facility or converting a building, not renovation or expansion
- Courthouses for some counties are historical. XI Q bonds cannot be used to make upgrades to these historical buildings
- Current limitation on the bond encourages counties to destroy historical buildings and encourages counties to take out more debt than they can afford
- Some buildings need new plumbing, power and security upgrades, HVAC system replacements, accessibility modifications
- Lack of anterooms for private attorney/client conversations

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

Many of Oregon's courthouses are in need of repair and infrastructure improvements. Pursuant to ORS 1.185, counties are required to provide suitable and sufficient courtrooms, offices and jury rooms. Some issues with Oregon's courthouses include seismic risk, outdated electrical systems, inability to support modern technology, HVAC and plumbing problems and physical access limitations for persons with disabilities. However, many counties have experienced reduced revenues over the last several decades due to various reasons, including caps on property tax increases and a decrease in timber revenue.

There have been several studies on Oregon courthouses, including the *Report on Oregon Court Facilities*, by the Court Facilities Task Force (Oregon State Bar, 2006); *2008 State of the Oregon Courts*, Oregon Judicial Department (OJD, 2008), the *Report of the Interim Committees on Court Facilities*, drafted by Committee Services for the Committee (Committee Services is now LPRO, 2009), and *Lane County, Oregon Court Facility Needs Assessment*, by the National Center for State Courts (NCSC 2016).

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*This summary has not been adopted or officially endorsed by action of the committee.*

## **HB 3581 STAFF MEASURE SUMMARY**

In 2011, the Legislative Assembly passed HB 3525, which created the Courthouse Capitol Improvement Trust Fund. Ten percent of punitive damage awards are deposited into the Trust Fund. Working in conjunction with the Trust Fund, the XI-Q bond program allows for courthouse replacement projects or remodels of buildings that are not existing courthouses; it requires a 50 percent match in funds by the participating county. The Trust Fund and Article XI-Q bonds have allowed some counties to finance courthouse replacements.

House Bill 3581 expands the permitted use of XI-Q bonds to include expansion of a courthouse and remediation of structural defects and modifies the credit calculation to the counties.