



Legislative Fiscal Office
82nd Oregon Legislative Assembly
2024 Regular Session

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Bill Title: Relating to courthouses.

Government Unit(s) Affected: State Treasurer, Department of Administrative Services, Judicial Department, Counties, Bonding, Capital Construction

Measure Description

The measure expands the use of XI-Q general obligation bonds to include renovating or expanding courthouses, whether by remodeling or repairing space or by constructing new space, and remediation of structural defects. The measure authorizes the State Treasurer to issue Article XI-Q general obligation bonds to finance the expansion if, the Chief Justice of the Supreme Court determines that expanding the courthouse is more cost-effective than replacing the courthouse.

The measure requires the Department of Administrative Services to approve the project for which the bonds will be issued. Counties are required to contribute matching funds for these projects and may to use the higher of the appraised value or actual purchase price of any space in existing buildings being converted to courthouse and state office space or the costs to relocate county offices to vacate space for courthouse and state office use.

Fiscal Analysis

In 2013, the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF) was established to provide state matching funds to counties to replace unsafe county-owned courthouse facilities housing the state’s circuit courts. Under current law, the OCCCIF is to be used solely to finance costs related to acquiring, constructing, remodeling, repairing, equipping, or furnishing land, improvements, courthouses, or portions of courthouses that are owned by or operated by the State of Oregon. Courthouse renovations and additions fall outside of the statutory scope and eligibility of the OCCCIF. Under this measure, courthouse renovations and additions related courthouse expansion would become an eligible expense under the OCCCIF.

Under current law, state funds may pay up to one-half of allowable project costs under the OCCCIF statute, if the facility provides space to other state agencies; otherwise, state funding cannot exceed one-quarter of allowable project costs. Allowable project costs generally are limited to costs relating to the court space, any co-located state agency space, and shared, common areas or services that directly support the court. Under this measure, courthouse renovations and additions related to courthouse expansion would become eligible for state matching funds for one-half of allowable project costs. The Legislative Fiscal Office notes that under this measure state matching funds could be used to fund cost associated with relocating a county office, which typically would be a county government obligation.

Oregon Judicial Department

The fiscal impact on the Oregon Judicial Department is indeterminate at this time. The fiscal impact will depend on the number of projects the Chief Justice recommends and, that are approved by the Legislative Assembly.

Counties

FISCAL IMPACT OF PROPOSED LEGISLATION

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The fiscal impact on counties is indeterminate at this time. Under current law, counties are required to provide one-half of the state matching funds for project costs.

Other Agencies

No fiscal impact on the Department of Administrative Services and State Treasurer.

Relevant Dates

The measure takes effect on January 1, 2025.