



**OREGON
STATE
TREASURY**

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RE: SB 110 and ORS 184.400-406

Protecting the Interest of the State

The Treasurer is the custodian and safeguard of public resources – a few examples of ‘ensuring the interests of the state are protected’ are maintaining strong credit ratings for our state-issued bonds, pursuing consistent returns for state investments, and disbursing agency and program funding efficiently. This is a core principle for Oregon Treasury.

The term ‘in the best interest/interests of the state’ appears multiple times in statute – for examples related to debt management, the term is used in both [ORS 293.214](#) and [ORS 286A.848](#) to refer to issuing, modifying, or denying debt. In these examples and in the statute amended by SB 110, the Treasurer is acting in her capacity as the safeguard of public resources.

Specific to the ‘interests’ contemplated in SB 110, Treasury would review any proposed agreement to a) make sure that the incremental tax revenues granted go as far as possible and that the best deal possible is reached, b) make sure that funds are allocated to the right sources and disbursed timely and efficiently, and c) make sure that there are no additional revenues dedicated over what is currently in statute – these priorities are echoed by statute in ORS 184.404(1)(n)(A-C). This part of ORS 184.404 was enrolled in 2003 and is not amended by SB 110, but in the A-Engrossed version of SB 110 you can find it at page 3 lines 14-21.

SB 110 Oversight Mechanisms

It's important to note here that ORS 184.404(1)(n)(A-C) is not specific solely to Oregon Treasury's discretion and interpretation. Any proposed grant agreement must “Require the State of Oregon and the grantees to take any other action that the State Treasurer, the Director of the Oregon Department of Administrative Services or the Director of the Department of Revenue determines is desirable...” to effectuate the goals listed in (A-C). DAS and DOR have equal latitude to make changes to the agreements in order to make sure the interests of the state are protected, the agreement moves forward efficiently, funds are administered to the right sources, and that any appropriation is in accordance with statute. It is that requirement that any grant agreement receive sign off from OST, DAS, and DOR that protects the interest of the state and ensures appropriate and extensive due diligence is done.



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Also important to note is that the legislature also has oversight on any proposed agreement, both before an agreement is executed and while the agreement is in place. In the first case, before any agreement is solidified, legislators will hear a report from DAS about their process to determine revenues contemplated in ORS 184.404(1)(d-e). ORS 184.406(5)(a-c) stipulates that any grant agreement may not be executed until DAS submits a report to the legislature detailing their methodology for determining estimated and actual incremental tax revenues. Second, should an agreement be finalized and executed, the legislature will have an opportunity every biennium to decide whether or not to continue to appropriate funding to the Major League Stadium Grant Fund, without any liability to the State, as laid out in ORS 184.404(2). This is because according to the Oregon Constitution the current legislature cannot saddle a future legislature with a payment obligation. Each budget cycle, you will have an opportunity to review the progress of the grant agreement and make a determination about funding. You can find this at page 3 lines 22-36 in the A-Engrossed version of SB 110.

In conclusion, as laid out in statute, the legislature, OST, DAS, and DOR will work in concert to ensure that the best interests of the state are protected. With three agencies overseeing the preparation and execution of the grant agreement as well as legislative oversight both before and during the execution of any grant agreement the public can feel comfortable that the interests of the state will be protected throughout this process should an agreement come to fruition.