

# House Bill 3917

Sponsored by Representatives MARSH, MANNIX

## 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Creates a fund to pay for damage claims arising from catastrophic wildfires. (Flesch Readability Score: 60.7).

Creates the Catastrophic Wildfire Fund to pay for property damage claims arising from catastrophic wildfires that are ignited by the facilities of a public utility. Allows a public utility to participate in and capitalize the fund. Defines "public utility."

Requires the Public Utility Commission to appoint an independent administrator to administer payments of eligible claims arising from a catastrophic wildfire. Provides for an independent administrator to prepare and present a plan of operations. Provides for a process to recapitalize the fund as needed, as determined by an independent administrator. Provides for procedures if an independent administrator determines that the fund is depleted.

Establishes a claims process. Limits the amount of property and noneconomic damages that may be recovered by a claimant from the fund.

Directs the commission to investigate whether the actions and conduct of a public utility prior to the ignition of a catastrophic wildfire were prudent or imprudent. Allows the commission to require a public utility whose actions were imprudent to reimburse the fund in whole or in part.

Allows a public utility, upon approval by the commission, to issue bonds and securitize debt for costs and expenses associated with contributions to the fund.

Applies to wildfires that begin on or after the effective date of this Act.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to a catastrophic wildfire fund; creating new provisions; amending ORS 279A.025, 293.701  
3 and 757.457; and declaring an emergency.

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

5 **SECTION 1. Legislative findings. The Legislative Assembly finds and declares that:**

6 (1) **Electric utilities provide an essential service to residents of this state that powers the**  
7 **economy, is fundamental to modern life and provides a mechanism to attract capital for in-**  
8 **vestment in a clean and safe future.**

9 (2) **Due to a variety of factors, including global climate change, increased fire fuel loads**  
10 **and construction of homes and other structures in the wildland-urban interface, the preva-**  
11 **lence of, extent of damage caused by, and risks posed from, catastrophic wildfire necessitate**  
12 **a review of and modification to the manner in which compensation is provided to residents**  
13 **who may face property loss from such a conflagration.**

14 (3) **With increased catastrophic fire risk, electric utilities are in the unenviable position**  
15 **of being required to serve all customers with a product that can, in certain circumstances,**  
16 **be the ignition source of a fire, while also needing to improve infrastructure resilience, which**  
17 **requires raising and investing capital from a marketplace that reduces the credit worthiness**  
18 **of the utility for the same risk. The recognition of this risk creates increased costs to utility**  
19 **customers and, as has been seen in other states, potentially causes the bankruptcy of a**  
20 **utility and the inability of the utilities' customers to be made whole.**

21 (4) **It is the intent of the Legislative Assembly to provide a mechanism that supports the**

**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 creditworthiness of electric utilities, reduces costs to utility customers and promotes the  
 2 safety and reliability of the electrical system. The creation of the Catastrophic Wildfire  
 3 Fund, and its funding through customer and shareholder contributions, does not establish  
 4 an exclusive remedy for payment of eligible claims or prohibit a public utility from proposing,  
 5 and for the Public Utility Commission from approving in the public interest, rate recovery  
 6 of claims paid by utilities for damages caused by catastrophic wildfire.

7 **SECTION 2. Definitions.** As used in sections 2 to 9 of this 2025 Act:

8 (1) “Allowed property damages” means the sum of:

9 (a) The lesser of the difference in the fair market value of real or personal property im-  
 10 mediately before and immediately after a catastrophic wildfire, or the cost of restoring real  
 11 or personal property to the condition the property was in immediately before a catastrophic  
 12 wildfire; and

13 (b) Any other objectively verifiable monetary losses arising out of the loss of real or  
 14 personal property other than the diminution in fair market value or restoration costs under  
 15 paragraph (a) of this subsection, such as lost income from damage to property used in a  
 16 business, as a place of work or alternative living expenses resulting from being temporarily  
 17 displaced from residing in the damaged property.

18 (2) “Catastrophic wildfire” means a fire that:

19 (a) Is determined, by the State Forester, the State Fire Marshal or other state govern-  
 20 ment official with responsibility over such matters, to have likely been ignited by the facili-  
 21 ties of a public utility;

22 (b) Damages homes, buildings, structures or natural areas; and

23 (c) Requires significant resources to extinguish.

24 (3) “Claimant” means a person who may make a claim of loss under section 7 of this 2025  
 25 Act to be paid from moneys in the Catastrophic Wildfire Fund for economic damages arising  
 26 from a catastrophic wildfire and who is not a public utility.

27 (4) “Fair market value” means the amount that a willing buyer would pay to a willing  
 28 seller for property in an arm’s length transaction if both parties were fully informed about  
 29 all advantages and disadvantages of the property and neither party is acting under a  
 30 compulsion to buy or sell, as determined by:

31 (a) A state certified appraiser in the case of real property; or

32 (b) A professional appraiser in the case of personal property.

33 (5) “Noneconomic damages” means subjective, nonmonetary losses, including but not  
 34 limited to pain, mental suffering, emotional distress, humiliation, injury to reputation, in-  
 35 convenience, interference with normal and usual activities apart from gainful employment,  
 36 loss of consortium and loss of care, comfort, companionship and society.

37 (6) “Public utility” means a public utility, as defined in ORS 757.005, that provides electric  
 38 power to retail electricity customers and is regulated by the Public Utility Commission under  
 39 ORS chapter 757.

40 (7) “Serious bodily injury” means bodily injury that involves:

41 (a) A substantial risk of death;

42 (b) Protracted and obvious disfigurement; or

43 (c) Protracted loss or impairment of the function of a bodily member, organ or mental  
 44 faculty.

45 (8) “State certified appraiser” means an individual who has been certified as a state

1 certified appraiser under ORS 674.310 and is qualified to appraise the property that is the  
 2 subject of a fair market value determination.

3 (9) “Wildfire protection plan” means a wildfire protection plan approved by the Public  
 4 Utility Commission under ORS 757.963.

5 **SECTION 3. Catastrophic Wildfire Fund created.** (1) There is created in the State  
 6 Treasury, separate and distinct from the General Fund, the Catastrophic Wildfire Fund.  
 7 Moneys in the fund shall be invested as provided in ORS 293.701 to 293.790 and the earnings  
 8 from such investments, including any interest, shall be credited to the fund. The State  
 9 Treasurer may create subaccounts in the fund, such that moneys contributed may be ac-  
 10 counted for separately by each public utility.

11 (2) The moneys in the fund are continuously appropriated to the Public Utility Commis-  
 12 sion to be used for the purposes described in sections 2 to 9 of this 2025 Act.

13 (3) The fund shall consist of:

14 (a) Moneys contributed to the fund by public utilities.

15 (b) Moneys appropriated to the fund or authorized by the Legislative Assembly.

16 (c) Other moneys derived from gifts, grants, bequests or other sources pledged to the  
 17 state for the purpose of providing financial assistance for recovery from catastrophic  
 18 wildfire.

19 (d) Reimbursements of moneys paid to claimants from the fund.

20 (e) Earnings on moneys in the fund.

21 (f) Moneys obtained by the state through any suit, matter, action, cause or proceeding  
 22 in any court taken on behalf of the fund.

23 (4) All payments authorized to be made from the fund by the commission or an inde-  
 24 pendent administrator appointed under section 6 of this 2025 Act, including payments for  
 25 claims for catastrophic wildfire damages, salaries and compensation for the independent ad-  
 26 ministrator or other employees and assistants of the independent administrator, and other  
 27 overhead and expenses, shall be made from the fund.

28 (5) There is created in the fund a revolving administrative account in the amount of \$1  
 29 million, which shall be deposited with and maintained by the State Treasurer. The adminis-  
 30 trative account shall be available for disbursement to an independent administrator ap-  
 31 pointed under section 6 of this 2025 Act to carry out the duties and functions of the  
 32 independent administrator as directed by the commission.

33 (6) The fund is to be held in trust for the benefit of claimants and shall be used exclu-  
 34 sively for the purposes set forth in sections 2 to 9 of this 2025 Act. The State of Oregon has  
 35 no liability for payment of claims in excess of moneys available in the fund.

36 **SECTION 4. Initial capitalization; contribution amounts.** (1) A public utility shall deter-  
 37 mine the amount of public utility’s initial capitalization of the Catastrophic Wildfire Fund.  
 38 In determining the amount of the public utility’s initial capitalization of the fund, a public  
 39 utility may use any available information, including:

40 (a) National payments made by property insurers for wildfire damage;

41 (b) Opinions of wildfire experts of the ongoing risk of wildfire in Oregon;

42 (c) Information from national or state associations;

43 (d) Experiences of utilities in other states;

44 (e) Comparisons to other states that have experienced significant loss from wildfire or  
 45 that have adopted similar funds; and

1 (f) Information from banks, accountancies and professional services firms.

2 (2) The total amount of the capitalization of the fund, including any accounts and sub-  
3 accounts, from all public utilities that contribute to the fund may not exceed \$800 million.

4 (3) After determining the amount of the public utility's initial capitalization of the fund,  
5 a public utility shall capitalize the fund. A public utility that capitalizes the fund shall file a  
6 nonbypassable schedule of tariffs with the Public Utility Commission designed to collect the  
7 amount needed for initial capitalization. The public utility shall collect the amount needed  
8 for the initial capitalization over a reasonable period of time not to exceed 10 years. The  
9 amount collected must reflect the following:

10 (a) Risks associated with operating without the fund;

11 (b) Geographic size of the public utility's service area;

12 (c) Number of customers of the public utility;

13 (d) For lines located in areas that are assigned an extreme, high or moderate wildfire risk  
14 class by the State Forestry Department or public utility's wildfire protection plan, the length  
15 of the public utility's above-ground transmission lines, based on the percentage of the public  
16 utility's ownership interest, and the length of the public utility's above-ground distribution  
17 lines;

18 (e) Findings and elements in the public utility's wildfire protection plan;

19 (f) Demonstrated effectiveness of the public utility's past and planned risk mitigation  
20 activities;

21 (g) Societal benefits provided by the public utility, such as the benefits of providing  
22 electricity to remote areas;

23 (h) The need to avoid imposing an unreasonable financial burden on the utility custom-  
24 ers;

25 (i) Amounts contributed to the fund from other sources, including from shareholders of  
26 the public utility and taxes and fees; and

27 (j) Amounts collected as bondable rate recovery expenditures for contributions to the  
28 fund under a financing order issued under ORS 757.461.

29 (4) A nonbypassable schedule of tariffs filed under subsection (3) of this section may not  
30 increase a customer's bill in any customer rate class by more than three percent.

31 (5) The amount of a public utility's initial capitalization of the fund under this section  
32 shall be allocated between the public utility's customers and the public utility's shareholders.  
33 The customers of the public utility may not be required to contribute more than 50 percent  
34 of the amount of the public utility's initial capitalization.

35 (6) A public utility may use a financing order issued under ORS 757.461 to collect from  
36 customers of the public utility the amount needed for the public utility's initial capitalization.

37 **SECTION 5. Supplemental funding; recapitalization.** (1) An independent administrator  
38 appointed under section 6 of this 2025 Act shall notify the participating public utilities and  
39 the Public Utility Commission that supplemental contributions may be necessary to ensure  
40 solvency of the Catastrophic Wildfire Fund if the independent administrator determines that  
41 payments made by or claims on the fund leave the fund with insufficient reserves to meet  
42 potential future claims.

43 (2) Within the notification, the independent administrator shall allocate responsibility  
44 among the public utilities for the supplemental contributions consistent with respective ini-  
45 tial contributions of each public utility, except that the independent administrator shall

1 modify the relative responsibility on the basis of the causes of catastrophic wildfires that  
2 have caused claims on the fund and recommend to the commission the amounts necessary  
3 to be required from each public utility to return the fund, or its subaccounts, to full funding.

4 (3) Based on the recommendations from the independent administrator, the commission  
5 may direct a public utility to recapitalize the fund through customer rates or rate recovery  
6 expenditures, subject to the considerations and limitations provided for initial contributions  
7 under section 4 of this 2025 Act and determinations of prudent actions and conduct under  
8 section 8 of this 2025 Act.

9 (4) The independent administrator may recommend to the Legislative Assembly that the  
10 Legislative Assembly provide an appropriation to the Catastrophic Wildfire Fund from the  
11 General Fund to recapitalize the Catastrophic Wildfire Fund if, in the determination of the  
12 independent administrator, a statewide contribution to the fund is justified based on the size,  
13 scope, damage or impact of a specific wildfire.

14 **SECTION 6. Independent administrator; appointment; duties.** (1)(a) Within 30 days after  
15 the date on which a wildfire is ignited, the State Forester or the State Fire Marshal shall  
16 notify the Public Utility Commission whether the wildfire was a catastrophic wildfire likely  
17 ignited by the facilities of a public utility.

18 (b) A notice that identifies a wildfire as a catastrophic wildfire that was likely ignited by  
19 the facilities of a public utility must include the name of the public utility.

20 (2) Within 30 days after receiving a notice that contains information provided under  
21 subsection (1)(b) of this section and at the request of the public utility identified under sub-  
22 section (1)(b) of this section, the commission shall appoint and contract with an independent  
23 administrator for the purpose of administering the payment of eligible claims arising from  
24 the catastrophic wildfire.

25 (3) An independent administrator appointed under this section shall oversee the dis-  
26 bursement of moneys from the Catastrophic Wildfire Fund, consistent with the rules adopted  
27 by the commission under this section. The independent administrator serves at the pleasure  
28 of the commission. The independent administrator may:

29 (a) Receive, process, and determine payments for, claims for losses arising out of prop-  
30 erty damage caused by a catastrophic wildfire; and

31 (b) Undertake such other activities as are related to the operation, management and  
32 administration of the fund, as approved by the commission by rule or order.

33 (4) The commission may direct the independent administrator to:

34 (a) Prepare a plan of operations related to the operation, management and administration  
35 of the fund, including the reporting on the fund's assets and projections for the durability  
36 of the fund, and present the plan of operation to the commission.

37 (b) Present the plan of operations to the appropriate committees of the Legislative As-  
38 ssembly, including any request to the Emergency Board for an increase in any expenditure  
39 limitation that applies to the fund.

40 (5) An independent administrator may not be employed or contracted for a term that  
41 exceeds the period of time necessary to develop appropriate administrative processes, provide  
42 payments to claimants from a catastrophic wildfire, finalize and review the effect on the fund  
43 of payments for damages and wind up operations of the independent administrator.

44 (6) An independent administrator appointed under this section, or any agent or employee  
45 engaged by the independent administrator under this section, is not subject to civil or

1 criminal liability for any act performed or omitted, or any obligation entered into, in an of-  
 2 ficial capacity when done, omitted, or entered into, in good faith and without intent to de-  
 3 fraud.

4 (7) The Public Contracting Code does not apply to a contract for an independent admin-  
 5 istrator appointed under this section.

6 (8) The commission may adopt rules to implement this section and section 7 of this 2025  
 7 Act, including rules that provide for:

8 (a) The manner in which the commission shall conduct a request for proposals for an  
 9 independent administrator.

10 (b) The criteria, experience and qualifications required of an independent administrator.

11 (c) A list of pre-approved independent administrators.

12 (d) The management, review and proper disbursement of moneys from the fund, including  
 13 for the employment, termination and supervision of assistants, experts, field personnel and  
 14 other agents or employees that may be required in the administration of the independent  
 15 administrator's duties, and limits on administrative expenses.

16 (e) Methods for disbursement of moneys from the revolving administrative account cre-  
 17 ated under section 3 of this 2025 Act.

18 (f) In the appointment of an independent administrator, processes for consulting with and  
 19 considering the recommendations of a participating public utility whose facilities are the ig-  
 20 nition source.

21 **SECTION 7. Claims process.** (1) Within 30 days after the date on which an independent  
 22 administrator is appointed under section 6 of this 2025 Act, the independent administrator  
 23 shall provide public notice of the availability of the Catastrophic Wildfire Fund for claims of  
 24 loss, including economic and noneconomic damages, arising out of a catastrophic wildfire.  
 25 The independent administrator shall work with participating public utilities, local govern-  
 26 ments, statewide and local news media and social media providers to provide the notice. The  
 27 notice must provide information regarding how a claimant can submit claims of loss to the  
 28 independent administrator.

29 (2) A claim of loss must be brought within 18 months after the date on which the cat-  
 30 astrophic wildfire was ignited. A claimant shall submit the claim of loss to the independent  
 31 administrator in the manner provided by the independent administrator.

32 (3) To be eligible for compensation from the fund, a claim of loss must establish, at a  
 33 minimum:

34 (a) That the catastrophic wildfire damaged real or personal property.

35 (b) The extent of the allowed property loss caused by the catastrophic wildfire.

36 (c) Any claims of noneconomic damages and justification for those claims.

37 (d) The presence of any insurance policy of the claimant that provides coverage for the  
 38 loss and the amount of the coverage.

39 (4) Within 120 days after the date on which a claimant submits a claim of loss, the in-  
 40 dependent administrator shall determine:

41 (a) Whether the documentation establishes the elements required under subsection (3)  
 42 of this section; and

43 (b) The appropriate amount of the payment to the claimant from the fund.

44 (5) If the independent administrator determines that documentation is incomplete or is  
 45 insufficient to evaluate a claim, the independent administrator may request that the claim-

1 ant provide additional documentation within 60 days. After the 60-day period, the independent  
 2 administrator may deny the claim if the independent administrator determines that the  
 3 documentation is incomplete or is insufficient to establish the elements required under sub-  
 4 section (3) of this section.

5 (6) If the independent administrator determines that a claim is complete and establishes  
 6 the elements required under subsection (3) of this section, the claimant is eligible to receive  
 7 no more than the following amounts from the fund, less any actual or anticipated amounts  
 8 the claimant recovers from insurers:

9 (a) Eighty percent of the allowed property damages as determined by the independent  
 10 administrator; and

11 (b) Noneconomic damages in an amount not greater than \$100,000, for any occurrence  
 12 where there is no serious bodily injury or death, adjusted on an annual basis for inflation,  
 13 beginning July 1, 2026, based on the Consumer Price Index for All Urban Consumers, West  
 14 Region (All Items), as published by the Bureau of Labor Statistics of the United States De-  
 15 partment of Labor.

16 (7) An insurer of real or personal property damaged by a catastrophic wildfire may make  
 17 a claim on behalf of an insured for payments made by the insurer to the insured. If an  
 18 insurer makes a claim on behalf of an insured for payments made by the insurer to the in-  
 19 sured, the rights of the insured up to the policy limits provided by the insurer are subrogated  
 20 to the insurer. An insurer may not receive a payment from the fund greater than the  
 21 amount the insurer paid to the insured under the policy limits.

22 (8) Within 30 days after the date on which the independent administrator determines the  
 23 amount that a claimant is eligible to receive from the fund, the claimant may request ad-  
 24 ministrative review of the determination. The claimant may provide additional information  
 25 for the independent administrator’s consideration. The independent administrator shall no-  
 26 tify the claimant of the independent administrator’s decision on the review within 30 days  
 27 after the date of receipt of the request for review. The decision shall be final and not  
 28 appealable.

29 (9) The fund does not provide an exclusive remedy for payment of eligible claims. How-  
 30 ever, a civil action may not be maintained against a public utility participating in the fund  
 31 for loss for which compensation is obtained from the fund by the claimant, regardless of  
 32 whether the fund compensated the full or partial amount of the claim for loss.

33 (10)(a) If the independent administrator determines that there were discrete, independent  
 34 and contributing causes or factors to the size, severity, spread or magnitude of the wildfire  
 35 attributable to persons other than the public utility whose facilities provided the ignition, and  
 36 those causes or factors had the effect of increasing the amount or size of the claims paid  
 37 from the fund, the independent administrator may notify the Public Utility Commission of  
 38 the independent administrator’s determination.

39 (b) The commission may request that the Attorney General, under ORS 180.060, maintain  
 40 an action on behalf of public utility customers to seek contributions from the persons de-  
 41 scribed in paragraph (a) of this subsection. Any moneys awarded or obtained by the Attorney  
 42 General in the action, except for attorney fees and costs, shall be deposited in the fund.

43 **SECTION 8. Conduct of public utility; investigation.** (1) As used in this section:

44 (a) “Prudent” means consistent with reasonable actions and conduct that a public utility  
 45 would take in good faith under similar circumstances at the relevant point in time based on

1 the information available to the public utility at the relevant point in time.

2 (b) “Reasonable actions and conduct” means the range of possible practices, methods or  
 3 acts consistent with utility system needs, the interest of rate payers and the requirements  
 4 of governmental agencies of competent jurisdiction, and is not limited to only the optimum  
 5 practice, method, or act to the exclusion of other possible practices, methods or acts.

6 (2) If the Public Utility Commission appoints an independent administrator to pay from  
 7 the Catastrophic Wildfire Fund claims for damages attributable to a catastrophic wildfire,  
 8 the commission shall initiate an investigation pursuant to ORS 756.515 to review the public  
 9 utility’s actions and conduct prior to the ignition of the catastrophic wildfire to evaluate and  
 10 determine whether the actions of the public utility were prudent. The commission may con-  
 11 duct the investigation as a contested case in the manner provided by rule by the commission.  
 12 The commission shall make a determination of prudence or imprudence within 180 days of  
 13 initiating an investigation under this section.

14 (3)(a) Notwithstanding ORS 757.963 (6), in any proceeding initiated under this section, the  
 15 commission shall make a preliminary determination that the public utility’s actions and  
 16 conduct were prudent if commission finds that at the time of the ignition of the catastrophic  
 17 wildfire the public utility had a risk-based wildfire protection plan approved under ORS  
 18 757.963 and the public utility’s actions and conduct were materially consistent with and in  
 19 compliance with the risk-based wildfire protection plan.

20 (b) A party to the proceeding may show that a public utility’s actions and conduct, de-  
 21 spite being materially consistent with and in compliance with the public utility’s risk-based  
 22 wildfire protection plan, were imprudent by providing clear and convincing evidence that  
 23 some part of the public utility’s overall systems, processes or programs failed to proactively  
 24 manage wildfire risk. The commission may not use a simple error by a public utility em-  
 25 ployee or contractor as a basis for a finding of imprudence unless the error is a result of an  
 26 imprudent system, process or program.

27 (c) A public utility, by showing that the public utility’s actions and conduct were none-  
 28 theless prudent, may rebut a showing by a party that some part of the public utility’s overall  
 29 systems, processes or programs failed to proactively manage wildfire risk.

30 (4) If the commission determines that a public utility’s actions and conduct that caused  
 31 the catastrophic wildfire were imprudent, the commission may order the utility to reimburse  
 32 the fund, in whole or in part, for claims paid from the fund as a result of the catastrophic  
 33 wildfire. In determining the amount of reimbursement, the commission shall consider:

34 (a) The scope, magnitude and contribution of the actions and conduct of the public utility  
 35 that were deemed imprudent as compared to the severity, scope and magnitude of the  
 36 wildfire;

37 (b) Any factors within and beyond the public utility’s control that may have led to or  
 38 exacerbated the costs from the catastrophic wildfire, including but not limited to humidity,  
 39 temperature, winds, fuel and merged wildfires with independent ignitions;

40 (c) Any third-party actions that affected the spread of the wildfire; and

41 (d) The timeliness and efficacy of fire suppression activities by local, state or federal  
 42 agencies charged with responsibility for conducting fire suppression activities.

43 (5) The public utility may not recover in rates the amount of a reimbursement if the  
 44 commission orders a public utility to reimburse the fund. The commission may not order the  
 45 public utility to reimburse the fund in an amount that exceeds the lesser of:



1 (a) The reimbursement amounts that the commission determines are due to the public  
2 utility's imprudence; or

3 (b) Twenty percent of the public utility's transmission and distribution equity rate base  
4 situs to Oregon minus any amounts the public utility has already reimbursed the fund during  
5 a period of three consecutive calendar years ending on December 31 of the year in which the  
6 calculation is being performed.

7 (6) A commission determination of prudence or imprudence under this section relates  
8 only to the obligation of a public utility to reimburse the fund and is inadmissible for any  
9 purpose, in whole or in part, in any other proceeding or criminal or civil action.

10 **SECTION 9. Fund depletion.** (1) During any period in which the Catastrophic Wildfire  
11 Fund is available for claims arising out of a catastrophic wildfire and in which an independ-  
12 ent administrator appointed under section 6 of this 2025 Act determines that the sum of  
13 payments from moneys in the fund that may be required to be made to eligible claimants is  
14 expected to exceed 75 percent of the total available financial capacity in the fund, the inde-  
15 pendent administrator shall notify the Public Utility Commission that the fund is likely to  
16 be depleted.

17 (2) If the independent administrator is unable to secure additional financial capacity for  
18 the fund, including credible pledges for future funding, sufficient to reverse its assessment  
19 under subsection (1) of this section within 45 days after the date on which the determination  
20 is made, the independent administrator shall declare the existence of a depletion event.

21 (3) If the independent administrator declares the existence of a depletion event, the in-  
22 dependent administrator shall:

23 (a) Determine the percentage of total eligible payments the fund can make to all eligible  
24 claimants; and

25 (b) Offer claimants a depletion payment from the fund calculated by multiplying the  
26 amount of compensation that would otherwise have been offered under section 7 of this 2025  
27 Act without a funding shortfall by the percentage calculated in paragraph (a) of this sub-  
28 section.

29 (4) All claimants that are offered the depletion payment may choose to accept or decline  
30 the depletion payment. A claimant that declines to accept the depletion payment is:

31 (a) Except as provided in subsection (6)(c) of this section, ineligible for any payments by  
32 the fund with respect to the catastrophic wildfire for which the claim was made; and

33 (b) Not bound by the limitation on claims provided in section 7 of this 2025 Act with re-  
34 spect to the catastrophic wildfire for which the claim was made.

35 (5) The limitation period for any cause of action arising out of the catastrophic wildfire  
36 that could be asserted by the claimant that declines to accept the depletion payment shall  
37 be tolled for the period beginning on the date on which the catastrophic wildfire is ignited  
38 and ending on the date on which the independent administrator offers claimants the de-  
39 pletion payment.

40 (6) If, at any point within three years from the date of the declaration of a depletion  
41 event under this section, the fund receives additional funding or pledges for additional fund-  
42 ing such that the conditions for the depletion event are no longer present, the independent  
43 administrator or the commission shall allow:

44 (a) A claimant who has not accepted or declined an offer of a depletion payment to seek  
45 the full amount the claimant would otherwise be entitled to under section 7 of this 2025 Act;

1       **(b) A claimant who has accepted the depletion payment to obtain a true-up payment,**  
2 **totaling the difference between the depletion payment the claimant received from the fund**  
3 **and the full amount the claimant would otherwise have been entitled to under section 7 of**  
4 **this 2025 Act; and**

5       **(c) A claimant who has declined the depletion payment to resubmit a claim for the full**  
6 **amount the claimant would otherwise receive under section 7 of this 2025 Act and be bound**  
7 **by the limitations under section 7 of this 2025 Act.**

8       **SECTION 10.** ORS 279A.025 is amended to read:

9       279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting  
10 Code applies to all public contracting.

11       (2) The Public Contracting Code does not apply to:

12       (a) Contracts between a contracting agency and:

13       (A) Another contracting agency;

14       (B) The Oregon Health and Science University;

15       (C) A public university listed in ORS 352.002;

16       (D) The Oregon State Bar;

17       (E) A governmental body of another state;

18       (F) The federal government;

19       (G) An American Indian tribe or an agency of an American Indian tribe;

20       (H) A nation, or a governmental body in a nation, other than the United States; or

21       (I) An intergovernmental entity formed between or among:

22       (i) Governmental bodies of this or another state;

23       (ii) The federal government;

24       (iii) An American Indian tribe or an agency of an American Indian tribe;

25       (iv) A nation other than the United States; or

26       (v) A governmental body in a nation other than the United States;

27       (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or  
28 other authority for establishing agreements between or among governmental bodies or agencies or  
29 tribal governing bodies or agencies;

30       (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and  
31 414.145 for purposes of source selection;

32       (d) Grants;

33       (e) Contracts for professional or expert witnesses or consultants to provide services or testimony  
34 relating to existing or potential litigation or legal matters in which a public body is or may become  
35 interested;

36       (f) Acquisitions or disposals of real property or interest in real property;

37       (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-  
38 lection;

39       (h) Contracts for the procurement or distribution of textbooks;

40       (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

41       (j) The procurement, transportation, sale or distribution of distilled liquor, as defined in ORS  
42 471.001, or the appointment of agents under ORS 471.230 or 471.750 by the Oregon Liquor and  
43 Cannabis Commission;

44       (k) Contracts entered into under ORS chapter 180 between the Attorney General and private  
45 counsel or special legal assistants;

1 (L) Contracts for the sale of timber from lands that the State Board of Forestry, the State  
 2 Forestry Department, the State Parks and Recreation Commission or the State Parks and Recreation  
 3 Department owns or manages;

4 (m) Contracts for activities necessary or convenient for the sale of timber under paragraph (L)  
 5 of this subsection, either separately from or in conjunction with contracts for the sale of timber,  
 6 including but not limited to activities such as timber harvesting and sorting, transporting, gravel  
 7 pit development or operation, and road construction, maintenance or improvement;

8 (n) Contracts for forest protection or forest related activities, as described in ORS 477.406, by  
 9 the State Forester or the State Board of Forestry;

10 (o) Contracts that the Housing and Community Services Department enters into in exercising  
 11 the department's duties prescribed in ORS chapters 456 and 458, or procurements described in ORS  
 12 456.625 (19);

13 (p) Contracts that the State Treasurer enters into in exercising the powers of that office pre-  
 14 scribed in ORS 178.010 to 178.090 and 276A.242 and ORS chapters 286A, 287A, 289, 293, 294 and 295,  
 15 including but not limited to investment contracts and agreements, banking services, clearing house  
 16 services and collateralization agreements, bond documents, certificates of participation and other  
 17 debt repayment agreements, and any associated contracts, agreements and documents, regardless of  
 18 whether the obligations that the contracts, agreements or documents establish are general, special  
 19 or limited, except that the State Treasurer's public contracting for goods and services is subject to  
 20 ORS chapter 279B;

21 (q) Contracts, agreements or other documents entered into, issued or established in connection  
 22 with:

23 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;

24 (B) Program loans and similar extensions or advances of funds, aid or assistance that a public  
 25 body makes to a public or private body for the purpose of carrying out, promoting or sustaining  
 26 activities or programs authorized by law; or

27 (C) The investment of funds by a public body as authorized by law, and other financial trans-  
 28 actions of a public body that by their character cannot practically be established under the com-  
 29 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

30 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,  
 31 243.275, 243.291, 243.303 and 243.565;

32 (s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; *[or]*

33 **(t) Contracts entered into by the Public Utility Commission for an independent adminis-**  
 34 **trator under section 6 of this 2025 Act; or**

35 *[(t)]* **(u)** Any other public contracting of a public body specifically exempted from the code by  
 36 another provision of law.

37 (3) The Public Contracting Code does not apply to the contracting activities of:

38 (a) The Oregon State Lottery Commission;

39 (b) The legislative department;

40 (c) The judicial department;

41 (d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to  
 42 279.855 and 279A.250 to 279A.290;

43 (e) Oregon Corrections Enterprises;

44 (f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to  
 45 279A.290;

- 1 (g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;
- 2 (h) The Oregon 529 Savings Network and the Oregon 529 Savings Board;
- 3 (i) The Oregon Innovation Council;
- 4 (j) The Oregon Utility Notification Center; or
- 5 (k) Any other public body specifically exempted from the code by another provision of law.

6 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with  
 7 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-  
 8 der ORS 279.835 to 279.855.

9 **SECTION 11.** ORS 293.701 is amended to read:

10 293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

11 (1) "Council" means the Oregon Investment Council.

12 (2) "Investment funds" means:

13 (a) Public Employees Retirement Fund referred to in ORS 238.660;

14 (b) Industrial Accident Fund referred to in ORS 656.632;

15 (c) Consumer and Business Services Fund referred to in ORS 705.145;

16 (d) Employment Department Special Administrative Fund referred to in ORS 657.822;

17 (e) Insurance Fund referred to in ORS 278.425;

18 (f) Funds under the control and administration of the Department of State Lands;

19 (g) Oregon Student Assistance Fund referred to in ORS 348.570;

20 (h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.569 or  
 21 rules adopted thereunder;

22 (i) Forest Development Revenue Bond Fund referred to in ORS 530.147 and State Forestry  
 23 General Obligation Bond Fund referred to in ORS 530.280;

24 (j) Oregon War Veterans' Fund referred to in ORS 407.495;

25 (k) Oregon War Veterans' Bond Sinking Account referred to in ORS 407.515;

26 (L) World War II Veterans' Compensation Fund;

27 (m) World War II Veterans' Bond Sinking Fund;

28 (n) Funds in the hands of the State Treasurer that are not required to meet current demands  
 29 and that are invested in the Oregon Short Term Fund established under ORS 293.728 or in another  
 30 commingled investment vehicle;

31 (o) State funds that are not subject to the control and administration of officers or bodies spe-  
 32 cifically designated by law;

33 (p) Funds derived from the sale of state bonds;

34 (q) Social Security Revolving Account referred to in ORS 237.490;

35 (r) Public University Fund established by ORS 352.450;

36 (s) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;

37 (t) Education Stability Fund established by ORS 348.696;

38 (u) Deferred Compensation Fund established under ORS 243.411;

39 (v) Trust for Cultural Development Account established under ORS 359.405;

40 (w) The State Library Donation Fund and the Talking Book and Braille Library Endowment  
 41 Fund subaccount established under ORS 357.195;

42 (x) Funds in the Unclaimed Property and Estates Fund; *[and]*

43 (y) Funds in the Common School Fund or any subaccount of the fund, that are available for in-  
 44 vestment; **and**

45 **(z) Funds in the Catastrophic Wildfire Fund created under section 3 of this 2025 Act.**

1 (3) "Investment officer" means the State Treasurer in the capacity as investment officer for the  
2 council.

3 **SECTION 12.** ORS 757.457 is amended to read:

4 757.457. As used in this section and ORS 757.459, 757.461 and 757.463:

5 (1) "Assignee" means a person, and any subsequent assignee, to which a public utility assigns,  
6 sells or transfers all or part of the public utility's interest in or right to rate recovery assets, except  
7 as security.

8 (2) "Bond" includes bonds, notes, certificates of beneficial interests in a trust or other evidence  
9 of indebtedness.

10 (3) "Bondholder" means a holder or owner of a rate recovery bond.

11 (4) "Finance subsidiary" means an assignee at the time rate recovery bonds are issued:

12 (a)(A) That is beneficially owned, directly or indirectly, by a public utility; or

13 (B) In the case of a trust, for which a public utility or subsidiary of the public utility is the  
14 grantor; or

15 (b) That is unaffiliated with a public utility and acquires bondable rate recovery assets from a  
16 public utility in a transaction or under an agreement that is approved by the Public Utility Com-  
17 mission.

18 (5) "Financing costs" includes the following costs related to rate recovery bonds, whether in-  
19 curred and paid upon issuance or over the life of rate recovery bonds:

20 (a) The costs of issuing, serving, managing, repaying or refinancing rate recovery bonds, in-  
21 cluding any fees, expenses or charges incurred and the costs of any activities performed in con-  
22 nection with the rate recovery bonds, including:

23 (A) Information technology programming;

24 (B) Obtaining a financing order;

25 (C) Serving, accounting or auditing;

26 (D) Services related to trustees;

27 (E) Legal services;

28 (F) Consulting;

29 (G) Services related to financial and structuring advisors;

30 (H) Administration;

31 (I) Placement and underwriting;

32 (J) Services related to independent directors and managers;

33 (K) Services related to rating agencies;

34 (L) Stock exchange listing and compliance;

35 (M) Securities registration and filing; and

36 (N) Services necessary to ensure a timely payment of rate recovery bonds or other amounts or  
37 charges payable in connection with rate recovery bonds;

38 (b) Principal, interest and acquisition, defeasance and redemption premiums payable on rate re-  
39 covery bonds;

40 (c) Payments required under an ancillary agreement and any amounts required to fund or re-  
41 plenish a reserve or account established under the terms of an indenture, ancillary agreement or  
42 financing document related to rate recovery bonds;

43 (d) Applicable federal, state and local taxes, franchise fees, license fees, gross receipts or other  
44 taxes or charges, whether paid, payable or accrued; and

45 (e) The Public Utility Commission's costs in performing the commission's duties related to rate

1 recovery bonds that are recoverable by the commission under ORS 756.310.

2 (6) "Financing order" means an order issued by the Public Utility Commission that authorizes  
3 one or more the following:

- 4 (a) The recovery of rate recovery expenditures and financing costs;
- 5 (b) The creation of rate recovery assets;
- 6 (c) The issuance of rate recovery bonds;
- 7 (d) The imposition, collection and periodic adjustment of rate recovery charges; or
- 8 (e) The sale, assignment or transfer of rate recovery assets to an assignee.

9 (7) "Financing party" includes:

- 10 (a) Bondholders, trustees, agents and secured parties related to rate recovery bonds;
- 11 (b) A person acting for the benefit of bondholders, trustees, agents or secured parties; and
- 12 (c) A party to rate recovery bond documents or an ancillary agreement.

13 (8) "Public utility customer" means:

- 14 (a) For an electric utility, a retail electricity consumer, as defined in ORS 757.600.
- 15 (b) For a natural gas utility, the end use consumer served by the natural gas utility, including  
16 those served by the natural gas utility under ORS 757.516, regardless of whether the end use con-  
17 sumer purchases natural gas from the natural gas utility.

18 (9) "Rate recovery asset" means a right to recover from customers rate recovery expenditures  
19 and associated costs and expenses approved in a financing order, including the right to:

- 20 (a) Impose, charge, bill, collect, receive, hold and apply rate recovery charges authorized under  
21 a financing order or obtain, to the extent authorized, periodic adjustments of rate recovery charges;  
22 and

- 23 (b) All claims, accounts, revenues, payments, collections, moneys or proceeds arising from the  
24 rights and interest specified in a financing order, regardless of whether the claims, accounts, re-  
25 venues, payments, collections, moneys or proceeds arising from the rights and interest specified in  
26 the financing order are commingled with other claims, accounts, revenues, payments, collections,  
27 moneys or proceeds.

28 (10) "Rate recovery charge" means charges to public utility customers authorized by the Public  
29 Utility Commission to recover rate recovery expenditures and financing costs and to be used to pay,  
30 repay or refinance rate recovery bonds.

31 (11) "Rate recovery expenditures" means costs and expenses incurred or to be incurred through  
32 the date of issuance of a financing order by a public utility associated with:

- 33 (a) An event that is the subject of a federal or state declaration of a state of emergency, such  
34 as severe weather, catastrophic wildfire, pandemic or other event that causes or threatens to cause  
35 widespread loss of life, injury to person or property, human suffering or financial loss, except those  
36 costs and expenses that are or are associated with criminal or civil fines or penalties or judgments  
37 from a civil action based on negligence related to the event.

- 38 (b) An energy conservation program that provides loans and cash payments to public utility  
39 customers for the installation of energy conservation measures funded by the public utility includ-  
40 ing, but not limited to, the costs or expenditures for specific acquisition program development, pro-  
41 motion and labor costs and associated general supervision, rents, leases and overheads.

42 (c) **Contributions to the Catastrophic Wildfire Fund made under section 4 of this 2025**  
43 **Act.**

44 (12) "Secured party" means a financing party that has been granted a security interest in rate  
45 recovery assets.

1       **SECTION 13. Application.** Sections 2 to 9 of this 2025 Act and the amendments to ORS  
2       **279A.025, 293.701 and 757.457** by sections 10 to 12 of this 2025 Act apply to wildfires that ignite  
3       **on or after the effective date of this 2025 Act.**

4       **SECTION 14. Captions.** The section captions used in this 2025 Act are provided only for  
5       **the convenience of the reader and do not become part of the statutory law of this state or**  
6       **express any legislative intent in the enactment of this 2025 Act.**

7       **SECTION 15. Effective date.** This 2025 Act being necessary for the immediate preserva-  
8       **tion of the public peace, health and safety, an emergency is declared to exist, and this 2025**  
9       **Act takes effect on its passage.**

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