

A-Engrossed Senate Bill 5505

Ordered by the Senate June 27
Including Senate Amendments dated June 27

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

Digest: The Act governs bonding by the state for the biennium. (Flesch Readability Score: 78.2). Establishes amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for the biennium.

Establishes amounts allocated for private activity bonds.

[Authorizes general obligation bonding for the Interstate 5 bridge replacement project for future biennia.]

Makes legislative findings regarding benefits to higher education institutions and community colleges from the issuance of bonds under Article XI-F(1) and Article XI-G of the Oregon Constitution.

[Requires a constructing authority to make certain certifications before issuance of bonds under Article XI-G of the Oregon Constitution.]

Requires specified constructing authorities to meet certain conditions before issuance of specified bonds.

Establishes restrictions on general obligation bonding for the benefit of community colleges.

Establishes requirements applicable to certain contracts for specified higher education capital construction projects.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

Relating to state financial administration; creating new provisions; amending section 10, chapter 705, Oregon Laws 2013; repealing section 5, chapter 596, Oregon Laws 2023; 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 2025-2027 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

(1) Higher Education Coordinating

Commission (Art. XI-G):

(a) Clackamas Community College,

Center for Excellence for

Farming, Horticulture and

Wildland Fire..... \$ 8,085,000

(b) Klamath Community College,

Note: For budget, see 2025-2027 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	Cosmetology ADA	
2	Remediation.....	\$ 4,045,000
3	(c) Mt. Hood Community College,	
4	Classroom and Lab	
5	Renovations	\$ 8,085,000
6	(d) Clatsop Community College,	
7	Maritime Science Building.....	\$ 7,985,000
8	(e) Southwestern Oregon	
9	Community College, Student	
10	Uplift and Collaboration	
11	Create Expanded Support	
12	Success	\$ 8,085,000
13	(f) Portland State University,	
14	Portland Center for the	
15	Performing Arts Academic	
16	Building.....	\$ 85,660,000
17	(g) University of Oregon, Child	
18	Behavioral Health Building.....	\$ 17,920,000
19	(h) Southern Oregon University,	
20	Creative Industries/Student	
21	Success	\$ 2,485,000
22	(i) Western Oregon University,	
23	Data Center	\$ 715,000
24	(2) Oregon Business Development	
25	Department (Art. XI-M)	\$ 100,910,000
26	(3) Oregon Business Development	
27	Department (Art. XI-N).....	\$ 50,580,000
28	(4) Department of Education	
29	(Art. XI-P)	\$ 50,455,000
30	(5) Oregon Department of	
31	Administrative	
32	Services (Art. XI-Q):	
33	(a) Housing and Community	
34	Services Department:	
35	(A) Local Innovation and Fast	
36	Track (LIFT) Affordable	
37	Rental Housing Program	\$ 468,220,000
38	(B) Local Innovation and Fast	
39	Track (LIFT) Homeownership	
40	Program.....	\$ 100,910,000
41	(C) Permanent Supportive	
42	Housing Program.....	\$ 80,760,000
43	(b) Department of Corrections:	
44	(A) Capital Improvement and	
45	Renewal	\$ 50,455,000

1	(B) Computerized Maintenance		
2	Management System.....	\$	2,285,000
3	(C) Institution Staff Deployment		
4	System Replacement (ISDS)...	\$	625,000
5	(D) Wireless Communication		
6	System.....	\$	13,040,000
7	(c) State Forestry Department:		
8	(A) Klamath Fire Cache		
9	Warehouse Replacement	\$	1,723,800
10	(B) Santiam Facility Replacement,		
11	Phase I.....	\$	1,115,400
12	(C) State Forester, Office		
13	Building Restoration.....	\$	520,200
14	(D) Toledo Facility Replacement,		
15	Phase III.....	\$	2,542,388
16	(E) Veneta Campus Remodel.....	\$	4,404,427
17	(d) State Department of		
18	Fish and Wildlife:		
19	(A) Capital Improvements,		
20	Hatchery Facilities	\$	20,180,000
21	(B) North Willamette Watershed		
22	District Office.....	\$	5,320,000
23	(e) Oregon Health Authority,		
24	Oregon State Hospital		
25	Capital Improvements		
26	and Equipment.....	\$	7,545,000
27	(f) Judicial Department,		
28	Morrow County Courthouse ...	\$	2,535,000
29	(g) Oregon Military Department:		
30	(A) Medford Field Maintenance		
31	Shop.....	\$	6,680,000
32	(B) Klamath Falls Readiness		
33	Center.....	\$	2,035,000
34	(C) Linn County Readiness		
35	Center.....	\$	7,080,000
36	(h) Department of State Police:		
37	(A) Area Command Center		
38	Property Acquisition.....	\$	3,540,000
39	(B) Springfield Patrol Area		
40	Command Office	\$	7,360,000
41	(i) Oregon Youth Authority:		
42	(A) Capital Improvements,		
43	All Facilities	\$	5,070,000
44	(B) CCTV and Access Control		
45	Improvement, Phase IV.....	\$	5,630,000

1	(C) JJIS IT System		
2	Modernization	\$	12,295,000
3	(D) MacLaren Infirmary and		
4	Pharmacy Renovation and		
5	Expansion	\$	2,735,000
6	(E) Camp Riverbend Dorm		
7	Renovation.....	\$	8,960,000
8	(F) MacLaren West Cottages		
9	Renovations	\$	4,045,000
10	(G) Oak Creek Youth Correctional		
11	Facility.....	\$	4,045,000
12	(H) Tillamook Dorm Renovation...	\$	12,015,000
13	(I) Tillamook Medical and Dental		
14	Renovations	\$	825,000
15	(j) Department of Public Safety		
16	Standards and Training:		
17	(A) Learning Management		
18	System	\$	3,510,000
19	(B) Deferred Maintenance	\$	3,280,000
20	(k) Department of Environmental		
21	Quality, Laboratory and		
22	Monitoring Equipment.....	\$	1,350,000
23	(L) Higher Education Coordinating		
24	Commission:		
25	(A) Public Universities Capital		
26	Improvement and Renewal.....	\$	120,930,000
27	(B) University of Oregon, Child		
28	Behavioral Health Building.....	\$	35,855,000
29	(C) Southern Oregon University,		
30	Creative Industries/Student		
31	Success	\$	38,470,000
32	(D) Western Oregon University,		
33	Data Center	\$	12,555,000
34	(m) State Department of		
35	Agriculture, Project		
36	OneODA.....	\$	6,185,000
37	(n) Oregon Public Defense		
38	Commission, Financial Case		
39	Management System.....	\$	13,915,000
40	(o) Department of Justice, Legal		
41	Tools Replacement System 3.0	\$	13,455,000
42	(p) Department of Revenue,		
43	Electronic Valuation		
44	Information System.....	\$	2,035,000
45	(q) Oregon Department of Emergency		

1	Management, Resiliency Grant	
2	Fund established under	
3	ORS 401.552.....	\$ 10,140,000
4	(r) Oregon Business Development	
5	Department, Coos Bay Channel	
6	Modification.....	\$ 100,815,000
7	(6) Department of	
8	Transportation (Art. XI,	
9	section 7), Interstate 5	
10	Bridge Replacement Project...	\$ 251,825,000
11	<u>Dedicated Fund Obligations</u>	
12	(7) Department of Veterans'	
13	Affairs (Art. XI-A).....	\$ 116,000,000
14	(8) Higher Education Coordinating	
15	Commission (Art. XI-F(1)):	
16	(a) Portland State University,	
17	Portland Center for the	
18	Performing Arts Parking	
19	Structure	\$ 53,010,000
20	(b) Portland State University,	
21	Student Housing	\$ 85,660,000
22	(9) Department of Environmental	
23	Quality (Art. XI-H)	\$ 20,080,000
24	(10) Housing and Community	
25	Services Department	
26	(Art. XI-I(2))	\$ 50,000,000
27	(11) Oregon Department of	
28	Administrative Services	
29	(Art. XI-Q):	
30	(a) Oregon Department of	
31	Administrative Services,	
32	Labor and Industries Building	
33	Renovation and Seismic	
34	Upgrade.....	\$ 126,080,000
35	(b) State Forestry Department:	
36	(A) Klamath Fire Cache Warehouse	
37	Replacement	\$ 3,346,200
38	(B) Santiam Facility Replacement,	
39	Phase I.....	\$ 3,954,600
40	(C) State Forester, Office	
41	Building Restoration.....	\$ 1,009,800
42	(D) Toledo Facility Replacement,	
43	Phase III.....	\$ 3,532,612
44	(E) Veneta Campus Remodel.....	\$ 6,430,573
45	(c) Department of Veterans'	

1	Affairs:		
2	(A) Department of Veterans'		
3	Affairs Salem HVAC		
4	Controls Replacement,		
5	Phase II	\$	1,585,000
6	(B) Department of Veterans'		
7	Affairs Salem Roof		
8	Replacement	\$	1,230,000
9	(d) Oregon Liquor and Cannabis		
10	Commission:		
11	(A) Liquor Warehouse Management		
12	Management IT System.....	\$	8,090,000
13	(B) Liquor Warehouse Conveyor		
14	System	\$	10,125,000
15	(C) Liquor Warehouse Land		
16	and Building.....	\$	46,330,000
17	<u>Total General Obligation</u>		
18	<u>Bonds</u>	\$	2,340,290,000
19	SECTION 2. The amounts authorized, as provided by ORS 286A.035, for issuance of re-		
20	venue bonds of the state during the 2025-2027 biennium are as follows:		
21			
22	REVENUE BONDS		
23	<u>Direct Revenue Bonds</u>		
24	Housing and Community		
25	Services Department.....	\$	500,000,000
26	Department of Transportation,		
27	Highway User Tax.....	\$	850,000,000
28	Department of Transportation,		
29	Grant Anticipation Revenue		
30	Vehicle	\$	345,000,000
31	Oregon Business Development		
32	Department	\$	30,000,000
33	Oregon Department of		
34	Administrative Services,		
35	Lottery Revenue Bonds	\$	494,515,200
36	<u>Total Direct Revenue</u>		
37	<u>Bonds</u>	\$	2,219,515,200
38	<u>Pass-Through Revenue Bonds</u>		
39	Oregon Business Development		
40	Department, Industrial		
41	Development Bonds.....	\$	600,000,000
42	Oregon Business Development		
43	Department, Beginning and		
44	Expanding Farmer Loan		
45	Program	\$	2,000,000

1 **Oregon Facilities Authority.. \$ 1,000,000,000**
 2 **Housing and Community**
 3 **Services Department..... \$ 1,300,000,000**
 4 **Total Pass-Through Revenue**
 5 **Bonds \$ 2,902,000,000**
 6 **Total Revenue Bonds \$ 5,121,515,200**

7 **SECTION 3.** The amount authorized, as provided by ORS 286A.035, for issuance of cer-
 8 tificates of participation and other financing agreements of the state during the 2025-2027
 9 biennium for the Oregon Department of Administrative Services is \$13,037,910.

10 **SECTION 4.** (1) For calendar year 2026, the amount of \$550,336,540 is allocated for private
 11 activity bonds, as provided in ORS 286A.615, as follows:

- 12 (a) **Oregon Business Development**
 13 **Department, Industrial**
 14 **Development Bonds..... \$ 40,000,000**
- 15 (b) **Oregon Business Development**
 16 **Department, Beginning and**
 17 **Expanding Farmer Loan**
 18 **Program..... \$ 1,000,000**
- 19 (c) **Housing and Community**
 20 **Services Department..... \$450,000,000**
- 21 (d) **Private Activity Bond**
 22 **Committee..... \$ 59,336,540**

23 (2) For calendar year 2027, the amount of \$550,336,540 is allocated for private activity
 24 bonds, as provided in ORS 286A.615, as follows:

- 25 (a) **Oregon Business Development**
 26 **Department, Industrial**
 27 **Development Bonds..... \$ 40,000,000**
- 28 (b) **Oregon Business Development**
 29 **Department, Beginning and**
 30 **Expanding Farmer Loan**
 31 **Program..... \$ 1,000,000**
- 32 (c) **Housing and Community**
 33 **Services Department..... \$450,000,000**
- 34 (d) **Private Activity Bond**
 35 **Committee..... \$ 59,336,540**

36 (3) If an increase in this state's population, a sufficient increase in the Consumer Price
 37 Index or a change in federal law allows the private activity bond limit as set by the Internal
 38 Revenue Code of 1986, as amended, to exceed \$550,336,540 during the 2026 calendar year or
 39 \$550,336,540 during the 2027 calendar year, the increase is allocated to the Private Activity
 40 Bond Committee.

41 **SECTION 5.** Section 5, chapter 596, Oregon Laws 2023, is repealed.

42 **SECTION 6.** (1) For purposes of Article XI-F(1), section 1, of the Oregon Constitution,
 43 the Legislative Assembly determines that the projects authorized to be financed pursuant to
 44 section 1 (8) of this 2025 Act with bonds issued under Article XI-F(1) of the Oregon Consti-
 45 tution will benefit higher education institutions or activities.

(2) For purposes of Article XI-G, section 1, of the Oregon Constitution, the Legislative Assembly determines that the projects authorized to be financed pursuant to section 1 (1) of this 2025 Act with bonds issued under Article XI-G of the Oregon Constitution will benefit higher education institutions or activities or community colleges authorized by law to receive state aid.

SECTION 7. Bonds authorized pursuant to Article XI-G of the Oregon Constitution under section 1 (1) of this 2025 Act for the benefit of a constructing authority may not be issued until the constructing authority certifies that the constructing authority has matching funds available for the same or similar purposes as the bonds, that the matching funds are not proceeds of indebtedness incurred by the state under any other article of the Oregon Constitution, and that the matching funds are available to the constructing authority in an amount at least equal to the amount of indebtedness incurred by the state through the issuance of the bonds.

SECTION 8. (1) Out of the amount specified in section 1 (5)(f) of this 2025 Act, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed \$2,500,000 of net proceeds for the purposes and in the manner specified in section 8, chapter 705, Oregon Laws 2013, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(2) For purposes of sections 8 and 9, chapter 705, Oregon Laws 2013, and section 64, chapter 723, Oregon Laws 2013, bonds issued pursuant to this section are considered to be bonds issued pursuant to section 8, chapter 705, Oregon Laws 2013.

(3) Bonds may not be issued pursuant to section 1 (5)(f) of this 2025 Act except as provided in this section.

SECTION 9. (1) A community college for which a project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2025 Act may not request approval for an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2029, unless the community college withdraws the project approved under this 2025 Act.

(2) For biennia beginning on or after July 1, 2025, the aggregate amount authorized for issuance of general obligation bonds under Article XI-G of the Oregon Constitution for projects at a single community college may not exceed \$12 million.

SECTION 10. Section 10, chapter 705, Oregon Laws 2013, is amended to read:

Sec. 10. Notwithstanding any provision of law:

(1) General obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution prior to January 1, 2013, for community college projects must be issued not later than June 30, 2015. Project approvals for general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution prior to January 1, 2013, for community college projects, expire on June 30, 2015.

(2) A community college may not have more than one project approved for funding with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution that is awaiting matching funds, other than projects approved prior to January 1, 2013.

(3) A community college for which a project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in *[this 2013 Act]* **chapter 705, Oregon Laws 2013**, may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution

until the beginning of the regular session of the Legislative Assembly held in 2017, unless the community college withdraws the project approved under *[this 2013 Act]* **chapter 705, Oregon Laws 2013.**

[(4) For biennia beginning on or after July 1, 2015, the aggregate amount authorized for issuance of general obligation bonds under Article XI-G of the Oregon Constitution for projects at a single community college may not exceed \$8 million.]

SECTION 11. Bonds authorized pursuant to Article XI-Q of the Oregon Constitution under section 1 (5)(r) of this 2025 Act for the Coos Bay Channel Modification may not be issued until the Oregon Business Development Department certifies that the constructing authority has met the following conditions:

(1) An environmental impact statement for the project has been completed and a final record of decision has been issued according to the National Environmental Policy Act; and

(2) The Oregon International Port of Coos Bay, or a private entity engaged in a public-private partnership with the port, has closed on a Railroad Rehabilitation and Improvement Financing loan through the Build America Bureau within the United States Department of Transportation in the amount of at least \$1 billion or has secured equivalent levels of alternative funding through other federal grants or loans.

SECTION 12. (1) A public university that is carrying out a qualified project shall require each contractor in a contract with an estimated cost of \$200,000 or greater to:

(a) Employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations perform under the contract, in a manner consistent with the apprentices' respective apprenticeship training programs;

(b) Establish and execute a plan for outreach, recruitment and retention of women, minority individuals and veterans to perform work under the contract, with the aspirational target of having at least 15 percent of total work hours performed by individuals in one or more of those groups;

(c) Provide health insurance and retirement benefits to workers employed by the contractor; and

(d) Require any subcontractor engaged by the contractor to abide by the requirements set forth in paragraphs (a), (b) and (c) of this subsection, if the work to be performed under the subcontract has an estimated cost of \$200,000 or greater.

(2) On or before February 1 of each year, each public university that is carrying out a qualified project shall report to the Joint Committee on Ways and Means or Joint Interim Committee on Ways and Means, as part of the report required under ORS 350.379, on:

(a) The amount of work performed on qualified projects by apprentices;

(b) The amount of work performed on qualified projects by women, minority individuals and veterans; and

(c) The types and costs of health insurance and retirement benefits provided to workers by contractors and subcontractors.

(3) The requirements of this section are in addition to, and not in lieu of, the requirements imposed under ORS 350.379.

(4) As used in this section:

(a) "Apprentice" has the meaning given that term in ORS 660.010.

(b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.

(c) "Apprenticeship training program" means the total system of apprenticeship that a

1 particular local joint committee, as defined in ORS 660.010, operates, including the local joint
2 committee's registered standards and all other terms and conditions for qualifying, recruit-
3 ing, selecting, employing and training apprentices in an apprenticeable occupation.

4 (d) "Minority individual" has the meaning given that term in ORS 200.005.

5 (e) "Qualified project" means the following capital construction projects:

6 (A) The Portland State University Portland Center for the Performing Arts Academic
7 Building referenced in section 1 (1)(f) of this 2025 Act;

8 (B) The University of Oregon Child Behavioral Health Building project referenced in
9 section 1 (1)(g) of this 2025 Act;

10 (C) The Southern Oregon University Creative Industries/Student Success project refer-
11 enced in section 1 (1)(h) of this 2025 Act; and

12 (D) The Western Oregon University Data Center project referenced in section 1 (1)(i) of
13 this 2025 Act.

14 (f) "Veteran" has the meaning given that term in ORS 408.225.

15 (g) "Woman" has the meaning given that term in ORS 200.005.

16 **SECTION 13.** This 2025 Act being necessary for the immediate preservation of the public
17 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
18 July 1, 2025.
19
