

**A-Engrossed**  
**House Bill 2280**

Ordered by the House February 19  
Including House Amendments dated February 19

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Transportation and Economic Development)

**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.

Transfers appropriation of moneys in Oregon Growth Fund from Oregon Growth Board to Oregon Business Development Department. Authorizes department to use moneys in fund and Oregon Growth Account to pay administrative costs and for purposes related to duties and responsibilities of Oregon Growth Board. Makes Director of Oregon Business Development Department voting member of Oregon Growth Board. Adds additional member at-large to board.

**Makes permissive requirement to invest certain amount in Oregon, based on moneys transferred from Oregon Growth Account or Oregon Growth Fund to management company or state agency, in accordance with rules adopted by board.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to the Oregon Growth Board; amending ORS 284.883, 284.887, 284.890 and 348.702; and de-  
3 claring an emergency.

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

5 **SECTION 1.** ORS 284.883 is amended to read:

6 284.883. (1) The Oregon Growth Board is established to formulate and implement policies and  
7 procedures to administer ORS 284.881 to 284.890, and to make recommendations for the investment,  
8 reinvestment, management and coordination of funds in the Oregon Growth Account established  
9 under ORS 348.702 and the Oregon Growth Fund established under ORS 284.890.

10 (2) The board shall consist of *[seven]* **nine** voting members and *[one to three]* **zero to two** non-  
11 voting members as follows:

12 (a) The State Treasurer shall be an ex officio voting member of the board.

13 **(b) The Director of the Oregon Business Development Department shall be an ex officio**  
14 **voting member of the board.**

15 *[(b)]* (c) The Governor shall appoint *[six]* **seven** voting members, subject to Senate confirmation  
16 under ORS 171.562 and 171.565 and the following:

17 (A) Two of the members shall be persons who do not belong to the same political party, who  
18 reflect the identity of the Legislative Assembly by political party affiliation at the time the persons  
19 are appointed and who are selected from a list of four candidates, each candidate recommended by  
20 the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Repre-  
21 sentatives or the Minority Leader of the House of Representatives, respectively.

22 (B) Members shall include at least one representative of each of the five congressional districts  
23 in this state.

**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 (C) [*Four*] **Five** members shall be appointed as follows:

2 (i) One member with experience in banking;

3 (ii) One member with experience in credit union operations;

4 (iii) One member with experience managing investments; [*and*]

5 (iv) One member with experience as a small business employer in this state[.]; **and**

6 (v) **One at-large member.**

7 [*(c) The Director of the Oregon Business Development Department shall be an ex officio nonvoting*  
8 *member of the board.*]

9 (d) Two members of the Legislative Assembly that belong to different political parties as deter-  
10 mined by the appropriate entry on official election registration cards, who are appointed by agree-  
11 ment of the President of the Senate, the Minority Leader of the Senate, the Speaker of the House  
12 of Representatives and the Minority Leader of the House of Representatives, shall serve as nonvot-  
13 ing members of the board. If an agreement cannot be reached on both members of the Legislative  
14 Assembly to serve on the board, no appointment shall be made under this paragraph.

15 (3) The term of office of each member who is not an ex officio member is four years. A member  
16 appointed by the Governor serves at the pleasure of the Governor. Before the expiration of the term  
17 of a member who is not an ex officio member, the appointing authority shall appoint a successor  
18 whose term begins on January 1 next following. A member is eligible for reappointment. If there is  
19 a vacancy for any cause, including but not limited to the end of a term of membership in the Leg-  
20 islative Assembly, the appointing authority shall make an appointment to become immediately ef-  
21 fective for the unexpired term.

22 (4) The board shall select one of its members as chairperson and another to serve as a liaison  
23 with local governments for such terms and with duties and powers necessary for the performance  
24 of the functions of these offices as the board determines, consistent with this section.

25 (5) A majority of the voting members of the board constitutes a quorum for the transaction of  
26 business.

27 (6) A member of the board may receive compensation and reimbursement for expenses as follows:

28 (a) Members of the Legislative Assembly as provided in ORS 171.072.

29 (b) Nonlegislative members in the manner and amounts provided in ORS 292.495. Claims for  
30 compensation and expenses incurred in performing the functions of the board shall be paid out of  
31 funds appropriated to the board for that purpose.

32 (7) The Oregon Business Development Department shall provide staff to the board as necessary  
33 to allow the board to carry out its responsibilities under ORS 284.881 to 284.890.

34 **SECTION 2.** ORS 284.890 is amended to read:

35 284.890. (1) The Oregon Growth Fund is established in the State Treasury, separate and distinct  
36 from the General Fund. Interest earned by the Oregon Growth Fund shall be credited to the fund.

37 (2) Moneys in the Oregon Growth Fund consist of:

38 (a) Amounts donated to the fund;

39 (b) Moneys transferred to the fund from the federal government, state agencies or local gov-  
40 ernments;

41 (c) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;

42 (d) Earnings received on moneys in the fund; and

43 (e) Other amounts deposited in the fund from any source.

44 (3) Moneys in the fund are continuously appropriated to the [*Oregon Growth Board*] **Oregon**  
45 **Business Development Department for the use of the Oregon Growth Board** for the [*purpose*]

1 of] **purposes set forth in** ORS 284.881 to 284.890.

2 (4) The [board] **department** may establish accounts and subaccounts within the fund when the  
3 [board] **department** determines that accounts or subaccounts are necessary or desirable and may  
4 credit any interest or income derived from moneys in the fund to any account or subaccount in the  
5 fund.

6 (5) The [board] **department** may use moneys in the fund to pay the administrative costs asso-  
7 ciated with the fund and with administering ORS 284.881 to 284.890.

8 **SECTION 3.** ORS 348.702 is amended to read:

9 348.702. (1) There is created within the Education Stability Fund the Oregon Growth Account,  
10 to which shall be credited, in the manner provided in subsection (2) of this section, 10 percent of the  
11 funds transferred under Article XV, section 4, of the Oregon Constitution, from the Administrative  
12 Services Economic Development Fund to the Education Stability Fund. Separate records shall be  
13 maintained for moneys in the Oregon Growth Account that are available for the purposes specified  
14 in subsection (5) of this section. The account may be credited with unrestricted appropriations, gifts,  
15 donations, grants or contract proceeds from any source, with investments or funds from any source  
16 and with returns on investments made from the account.

17 (2) The Oregon Department of Administrative Services may credit to the Oregon Growth Ac-  
18 count from the first funds transferred in a fiscal year to the Education Stability Fund under Article  
19 XV, section 4, of the Oregon Constitution, an amount up to the amount the department estimates  
20 to be 10 percent of the funds required to be transferred to the Education Stability Fund for that  
21 fiscal year.

22 (3) If at the end of the fiscal year the amount credited to the Oregon Growth Account under  
23 subsection (2) of this section is less than or greater than 10 percent of the amount required to be  
24 transferred under Article XV, section 4, of the Oregon Constitution, to the Education Stability Fund,  
25 the amount credited to the Oregon Growth Account shall be adjusted in one of the following ways:

26 (a) The amount credited to the account in the following fiscal year may be adjusted;

27 (b) Any excess may be transferred from the Oregon Growth Account to the Education Stability  
28 Fund; or

29 (c) Any shortage may be transferred from the Education Stability Fund to the Oregon Growth  
30 Account from funds available for that purpose.

31 (4) Adjustments required by subsection (3) of this section shall be made without consideration  
32 of any interest or other earnings that have accrued during the fiscal year.

33 (5) The purpose of the Oregon Growth Account is to earn returns for the Education Stability  
34 Fund.

35 (6) The investment of funds in the Oregon Growth Account shall be governed by the Oregon  
36 Growth Board.

37 (7) The **Oregon Business Development Department, on behalf of the** Oregon Growth  
38 Board, may use moneys in the Oregon Growth Account to pay the administrative costs associated  
39 with the account and with administering those portions of ORS 284.881 to 284.890 that pertain to  
40 the account.

41 **SECTION 4.** ORS 284.887 is amended to read:

42 284.887. (1) The Oregon Growth Board may contract with one or more management companies  
43 or state agencies to manage and invest the moneys in the Oregon Growth Account established under  
44 ORS 348.702 and the Oregon Growth Fund established under ORS 284.890. For purposes of this  
45 subsection, a contract with a management company or state agency may consist of:

1 (a) A partnership agreement under which the Oregon Growth Board is the limited partner and  
2 the management company or state agency is the general partner; or

3 (b) Another form of payment or profit-sharing arrangement under which the Oregon Growth  
4 Board may receive payment or another form of return in exchange for its investment.

5 (2) A management company or state agency selected to manage the Oregon Growth Fund or the  
6 Oregon Growth Account shall manage the moneys in the fund or account, subject to the policies and  
7 procedures and investment directives and strategies of the Oregon Growth Board, with the care,  
8 skill and diligence that a prudent investor acting in a similar capacity and familiar with such in-  
9 vestments would use in managing and investing a similar fund.

10 (3) **In accordance with rules adopted by the Oregon Growth Board**, the management com-  
11 pany or state agency [*shall*] **may be required to** invest in Oregon an amount that is at least equal  
12 to the amount of the principal transferred from the Oregon Growth Account or the Oregon Growth  
13 Fund to the management company or state agency for investment.

14 (4) A contract between the board and a management company to manage the Oregon Growth  
15 Account or the Oregon Growth Fund, and the functions performed under the contract, are not sub-  
16 ject to the State Personnel Relations Law or ORS 279.835 to 279.855 or ORS chapter 279A or 279B.

17 (5) The Oregon Growth Board shall provide to local governments and state agencies any reports  
18 on the investment of moneys in the Oregon Growth Account that are necessary to fulfill audit, fi-  
19 nancial, investment or other reporting requirements to which the Education Stability Fund is subject  
20 by law or standard accounting principles.

21 **SECTION 5. This 2015 Act being necessary for the immediate preservation of the public**  
22 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
23 **on its passage.**

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