

A-Engrossed
House Bill 2426

Ordered by the House March 22
Including House Amendments dated March 22

Sponsored by Representatives NATHANSON, EVANS; Representatives LIVELY, NERON, SCHOUTEN, WILDE, WILLIAMS (Presession filed.)

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.

Directs Oregon Homeland Security Council to develop updated list of equipment for purposes of emergency preparedness equipment grant program.

Directs council to prioritize preparedness equipment necessary for urban search and rescue teams.

Directs Office of Emergency Management to prioritize grant requests from certain applicants for urban search and rescue purposes.

Authorizes issuance of general obligation bonds under Article XI-Q of Oregon Constitution for grant program. **Limits amount of bond proceeds that may be expended for urban search and rescue preparedness equipment.**

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to emergency preparedness; creating new provisions; amending ORS 401.551 and 401.552;
3 and prescribing an effective date.

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

5 **SECTION 1. Before January 1, 2022, the Oregon Homeland Security Council shall develop**
6 **an updated and revised list of emergency preparedness equipment for purposes of the grant**
7 **program described in ORS 401.551.**

8 **SECTION 2.** ORS 401.551 is amended to read:

9 401.551. (1) As used in this section:

10 (a) "Emergency" has the meaning given that term in ORS 401.025.

11 (b) "Maintain" means to repair, perform upkeep on and otherwise keep in good working condi-
12 tion.

13 (c) "Preparedness equipment" means equipment, vehicles or other personal property that:

14 (A) May be used to decrease the risk to life and property resulting from an emergency; and

15 (B) Qualifies as a capital asset eligible for financing with tax-exempt bonds.

16 (d) "Qualified applicant" means an entity that has responsibility for or expertise in emergency
17 preparedness and that is a local government, a special government body, a federally recognized In-
18 dian tribe in Oregon or a private organization qualified for federal tax-exempt status under section
19 501(c)(3) of the Internal Revenue Code.

20 (e) "Recipient" means an entity that applies for and receives preparedness equipment, or funds
21 to purchase preparedness equipment, under the grant program described in subsection (3) of this
22 section.

23 (f) "Tax-exempt bond" means a bond, as defined in ORS 286A.001, the receipt of interest on

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 which is excluded from gross income under the Internal Revenue Code or that is eligible for a fed-
2 eral interest subsidy payment or other tax-advantaged status.

3 (2)(a) [*Before December 31, 2017,*] The Oregon Homeland Security Council shall develop a list
4 of preparedness equipment that is needed throughout this state to address deficiencies in the ability
5 of the state to respond to local and regional emergencies.

6 (b) In developing the list, the council shall consult and coordinate with the Office of Emergency
7 Management and with county officials who are responsible for emergency management.

8 (c) The council shall assign a priority level to each type of preparedness equipment on the
9 list[, *taking*] **as described in this paragraph:**

10 **(A) Preparedness equipment that is necessary, in the determination of the council, to**
11 **equip urban search and rescue teams must be included in the highest priority level.**

12 **(B) In assigning priority levels to other types of preparedness equipment, the council**
13 **shall take** into consideration, without limitation, the types of emergency that are most likely to
14 occur in different regions of this state and the types of preparedness equipment that offer the
15 highest ratio of utility to cost.

16 **(d)** The council shall periodically update and revise the list, **including the assigned priority**
17 **levels.**

18 (3) The Office of Emergency Management shall develop and administer a grant program to dis-
19 tribute preparedness equipment, or funds to purchase preparedness equipment, to recipients
20 throughout this state. Pursuant to the grant program:

21 (a) Qualified applicants may request preparedness equipment that is identified on the list de-
22 scribed in subsection (2) of this section. Applicants must demonstrate a need for the specific
23 preparedness equipment requested, the ability to maintain the preparedness equipment and the
24 ability to use the preparedness equipment to address deficiencies in local or regional emergency
25 preparedness.

26 (b) The office shall identify which requests from applicants, if fulfilled, will maximize the state's
27 ability to respond to an emergency, taking into account considerations that include but are not
28 limited to:

29 (A) The level of priority assigned to the requested preparedness equipment type pursuant to
30 subsection (2) of this section;

31 (B) The level of need for the requested preparedness equipment as demonstrated by the appli-
32 cant;

33 (C) The ability to use and maintain the preparedness equipment as demonstrated by the appli-
34 cant;

35 (D) The types of emergency most likely to occur in the region where the applicant is located;
36 and

37 (E) Whether the applicant has an alternative means of acquiring the requested preparedness
38 equipment.

39 **(c)(A) Subject to subparagraph (B) of this paragraph,** the office shall issue grants to appli-
40 cants identified under paragraph (b) of this subsection after entering into grant agreements with the
41 applicants as provided in paragraph (e) of this subsection. The office may either purchase the re-
42 quested preparedness equipment for distribution to a recipient or disburse funds to the recipient for
43 the purchase of the requested preparedness equipment.

44 **(B) For the purpose of equipping urban search and rescue teams, the office shall prior-**
45 **itize requests made by applicants that are capable, at the time of application, of deploying**

1 **urban search and rescue teams.**

2 (d) The Public Contracting Code does not apply to the acquisition of preparedness equipment
3 by the office or by a recipient pursuant to this section. When acquiring preparedness equipment
4 pursuant to this section, the office and recipients shall use procurement methods that are impartial
5 and transparent to the greatest extent feasible and are designed to maximize value to the State of
6 Oregon.

7 (e) The office may not disburse preparedness equipment or funds under this section unless the
8 office and the intended recipient first enter into a grant agreement. The grant agreement:

9 (A) Shall require the recipient to maintain the preparedness equipment.

10 (B) Shall provide that, if a recipient fails to adequately maintain preparedness equipment, the
11 recipient must relinquish possession of the preparedness equipment or reimburse the office for the
12 cost of the preparedness equipment.

13 (C) Shall specify that the office may conduct periodic inspections of the preparedness equipment
14 as described in paragraph (f) of this subsection.

15 (D) Shall specify that preparedness equipment distributed to the recipient remains the property
16 of the office until it is fully depreciated under governmental accounting principles, after which the
17 office may offer the preparedness equipment for sale to the recipient at its fair market value at the
18 time of sale.

19 (E) May permit the recipient to use the preparedness equipment for any purpose, governmental
20 or otherwise, that is permissible for assets financed with tax-exempt bonds, including nonemergency
21 purposes.

22 (F) Shall require private organizations to obtain approval from the office before making any use
23 of preparedness equipment that is outside the scope of the purpose of the private organization as
24 stated in the formation documents or bylaws of the organization.

25 (G) Shall require the recipient to take action or refrain from action as necessary to maintain
26 federal tax benefits related to any tax-exempt bonds that are used to fund the grant and to indemnify
27 the State of Oregon for any costs, expenses or liability due to loss of such federal tax benefits
28 caused by action or inaction of the recipient.

29 (f) The office shall conduct periodic inspections of preparedness equipment distributed or pur-
30 chased through the grant program to ensure that recipients are adequately maintaining the
31 preparedness equipment. If the office finds that any preparedness equipment is not adequately
32 maintained, the office may take possession of the preparedness equipment or require the recipient
33 to reimburse the office for the cost of the preparedness equipment.

34 (g) The office may transfer between recipients, dispose of or otherwise manage the preparedness
35 equipment as it determines is in the best interests of meeting the emergency preparedness needs of
36 the State of Oregon. If the office disposes of preparedness equipment for any reason, including sale
37 to a recipient as provided in paragraph (e)(D) of this subsection, the office shall deposit any moneys
38 it receives from the disposal in the Resiliency Grant Fund established under ORS 401.552.

39 (4) On or before December 31 of each year, the office shall submit a report to the Legislative
40 Assembly and to the Oregon Homeland Security Council that describes the administration and ef-
41 fectiveness of the grant program established under this section and the current prioritized list of
42 preparedness equipment types.

43 (5) The office shall adopt rules to administer and implement the provisions of this section.

44 **SECTION 3.** ORS 401.552 is amended to read:

45 401.552. The Resiliency Grant Fund is established in the State Treasury, separate and distinct

1 from the General Fund. Interest earned by the Resiliency Grant Fund must be credited to the fund.
2 The Resiliency Grant Fund consists of moneys deposited in the fund under ORS 401.551 and may
3 include moneys appropriated, allocated, deposited or transferred to the fund by the Legislative As-
4 sembly or otherwise and interest earned on moneys in the fund. The moneys in the fund are con-
5 tinuously appropriated to the [*Office of Emergency Management*] **Oregon Military Department** for
6 the purposes specified in ORS 401.551.

7 **SECTION 4.** (1) **In addition to and not in lieu of any authorization to issue general obli-**
8 **gation bonds under ORS 286A.035, in the biennium beginning July 1, 2021, at the request of**
9 **the Oregon Military Department, the State Treasurer may issue Article XI-Q bonds under**
10 **ORS 286A.816 to 286A.826 in an amount that produces \$10,000,000 of net proceeds for the**
11 **purpose specified in subsection (2) of this section, plus an amount estimated by the State**
12 **Treasurer to pay bond-related costs.**

13 (2) **Net proceeds of bonds issued under this section must be transferred to the Oregon**
14 **Military Department for deposit in the Resiliency Grant Fund established under ORS 401.552.**

15 **SECTION 5.** **From the net proceeds of bonds issued under section 4 of this 2021 Act, the**
16 **Office of Emergency Management may expend a maximum of \$2,000,000 for urban search and**
17 **rescue preparedness equipment.**

18 **SECTION 6.** **This 2021 Act takes effect on the 91st day after the date on which the 2021**
19 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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