

## Chapter 278

### 1957 REPLACEMENT PART

## Insurance on State Property

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### CROSS REFERENCES

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**278.010** [Repealed by 1953 c.581 §11]

**278.011 State agencies to make biennial appraisals of their property and submit appraisals to Department of Finance and Administration for examination.** (1) At the time determined by the Department of Finance and Administration, each state institution, department, board, commission or activity of whatever nature, shall prepare and submit a biennial statement of the appraised value of its property to the Department of Finance and Administration. The appraised value of the property shall be established on the basis of present day replacement costs, excluding the value of land, paving, sidewalks and excavations.

(2) No technical or professional assistance need be utilized by the state institution, department, board, commission or activity in forming its judgment of the appraised value of its property; but, if it determines that technical or professional assistance is necessary to make a reasonable judgment as to the appraised value of its property, the state institution, department, board, commission or activity is authorized to utilize technical and professional assistance for that purpose. The cost and expense of such technical or professional assistance shall be paid from funds appropriated for the biennial period for paying the general and current expenses of the state institution, department, board, commission or activity.

(3) The Department of Finance and Administration shall examine each statement of appraised value submitted pursuant to subsection (1) of this section. If the Department of Finance and Administration determines that the judgment of any state institution, department, board, commission or activity as to the appraised value of its property is unreasonable, the Department of Finance and Administration shall notify the state institution, department, board, commission or activity of that fact and require it to submit a reasonable judgment as to the appraised value of its property. If a reasonable judgment as to the appraised value of the property of any state institution, department, board, commission or activity cannot be secured from it, the Department of Finance and Administration shall make a determination as to the appraised value of the property in question. The cost and expense incurred by the Department of Finance and Administration in making such determination shall be paid from the funds appro-

riated for the biennial period for paying the general and current expenses of the state institution, department, board, commission or activity owning, controlling or possessing the property. [1953 c.581 §9; 1957 c.385 §1]

**278.020 Apportioning contributions toward fund used for replacement of property damaged by fire.** (1) Upon ascertaining the value of the property the Department of Finance and Administration shall apportion to each state institution, department, board, commission or activity its proportionate contribution to a sum of \$200,000 to be set aside on July 1, 1953, and \$200,000 to be set aside on July 1, 1954, and \$400,000 to be set aside on July 1, 1955, and on July 1 of each year thereafter, for the purpose of replacing or rebuilding any property designated in ORS 278.011 that may be lost, damaged or destroyed by fire, smoke, explosion, storm, flood or earthquake, until the sum of \$3 million has been accumulated.

(2) The contribution required of each activity under subsection (1) of this section shall be based upon the ratio which the appraised value of the buildings, equipment, furniture and other property of such activity bears to the total value of such property of all state institutions, departments, boards, commissions and other activities coming under the operation of ORS 278.011 to 278.080.

(3) When the Restoration Fund reaches \$3 million, thereafter the Department of Finance and Administration shall make further annual apportionments on July 1 of each year as provided in this section so that the Restoration Fund is maintained at \$3 million; but such apportionments shall not exceed \$400,000 for any year. [Amended by 1953 c.581 §11]

**278.025 Contributions to Restoration Fund reduced when supplemental insurance is purchased.** Whenever supplemental insurance is purchased, as provided in ORS 278.085, as an addition to Restoration Fund coverage, the property so insured shall be allowed an 80 percent discount on the assessment contribution to the Restoration Fund for such insured property. [1953 c.581 §5]

**278.030 Additional contributions to fund authorized in case of extraordinary hazard.** Whenever an extraordinary hazard of loss or damage by fire exists as to any property of the various state institutions, departments, boards, commissions and activities,

the Department of Finance and Administration may fix, determine and apportion to the state institution, department, board, commission or activity owning, controlling or possessing such property, in addition to the contributions required by ORS 278.020, such further contributions to the Restoration Fund as the Department of Finance and Administration deems reasonable and conformable to standard insurance practices. In fixing and determining the additional contributions as to properties involving such an extraordinary hazard the Department of Finance and Administration shall consider each of such properties separately and shall set a rate thereon. In determining such rate the department may consider the physical, occupational, moral and other hazards involved as to each of such properties, the loss experience on properties of such class, and the schedule of rates applicable to similar properties filed by the Oregon Insurance Rating Bureau with the State Insurance Commissioner.

**278.040 Restoration Fund.** The moneys arising from the operation of ORS 278.011 to 278.080 shall be set aside by the State Treasurer and credited to a fund to be known as the Restoration Fund.

**278.050 Use of Restoration Fund for restoring lost or damaged property; effect of supplemental insurance.** (1) Subject to subsections (2) and (3) of this section, if any property designated in ORS 278.011 is lost, damaged or destroyed through fire, smoke, explosion, storm, flood or earthquake, the Department of Finance and Administration shall restore such property out of the Restoration Fund provided in ORS 278.020.

(2) With respect to property insured by supplemental insurance as provided in subsection (1) of ORS 278.085:

(a) If the loss, damage or destruction was the result of a risk or casualty covered by the insurance, no part of the cost of restoring the property shall be paid from the Restoration Fund.

(b) If the loss, damage or destruction was the result of a risk or casualty not covered by the insurance and the property is restored, there shall be paid from the Restoration Fund the entire cost of restoring the property or the value of the property declared in accordance with ORS 278.011, whichever is less.

(3) With respect to property insured by supplemental insurance as provided in sub-

section (2) of ORS 278.085, the amount to be paid from the Restoration Fund for restoring the property shall be whichever of the following amounts is the lesser:

(a) The difference between the cost of restoration and the portion of that cost which is covered by supplemental insurance.

(b) Twenty percent of the appraised value of the property as declared in accordance with ORS 278.011.

(4) The Secretary of State shall audit all claims approved by the Department of Finance and Administration in carrying out the provisions of ORS 278.011 to 278.050 and 278.060 to 278.080 and shall draw his warrants on the State Treasurer in the payment thereof out of the Restoration Fund. [Amended by 1953 c.581 §11; 1957 c.385 §2]

**278.054 Biennial report on fund to be furnished to and published by State Fire Marshal.** (1) Each biennium, at the time provided in subsection (3) of this section, the Director of the Department of Finance and Administration shall furnish to the State Fire Marshal a report on the Restoration Fund.

(2) The report shall include a schedule of:

(a) Assessments and contributions to the Restoration Fund.

(b) Loss payments from the Restoration Fund.

(c) Properties on which insurance has been purchased as provided in ORS 278.085 and the amounts of such insurance.

(3) The report required by subsection (1) of this section shall be furnished to the State Fire Marshal within a sufficient time before the publication of the biennially published report of the State Fire Marshal's office so that the State Fire Marshal may include the information in his report. The State Fire Marshal shall include the report so furnished in his biennially published report. [1953 c.581 §6]

**278.056 Biennial report on fund to be furnished to legislature.** During the first week of each regular session of the Legislative Assembly, the Department of Finance and Administration shall make a report to the Joint Ways and Means Committee indicating the condition of the Restoration Fund and containing recommendations with respect to the Restoration Fund. [1953 c.581 §7]

**278.060 Adoption of rules and regula-**

tions. The Department of Finance and Administration may adopt the rules and regulations it deems necessary for carrying into full force and effect the provisions of ORS 278.011, 278.020, 278.030, 278.040 and 278.050.

**278.070 Certain laws not repealed.** ORS 278.011 to 278.050 do not repeal the provisions of ORS 276.246.

**278.080 Property donated to Flax and Linen Board subject to ORS 278.011 to 278.070.** All property acquired by the state through donation, and accepted by the Oregon State Flax and Linen Board as provided for in ORS 577.030, shall be considered as property of a department or board of the state for all the purposes and subject to all the conditions of ORS 278.011 to 278.070, and the provisions of those sections apply in all respects to such property. For the purposes of this section the Oregon State Flax and Linen Board shall be deemed the state board having charge of or in control of such property and shall have the powers and perform the duties vested in and required of a state department or board as provided in ORS 278.011 to 278.070. None of such property upon its damage or destruction by fire, smoke, explosion, storm, flood or earthquake shall be subject or eligible to restoration by the state nor shall the cost thereof be paid from the Restoration Fund, as provided in ORS 278.050, unless and until it has been appraised and its proportionate contribution has been paid into the fund, as provided in ORS 278.011 to 278.070, prior to such damage or destruction. [Amended by 1953 c.581 §11]

**278.085 Insurance supplemental to that provided by Restoration Fund.** (1) Any state institution, board, commission or department having control of property built with borrowed funds and required by the terms of the loan agreement to keep the building in-

sured against specified risks shall, until the loan has been repaid, keep the property insured against the risks specified in an amount equal to the appraised value as declared in accordance with ORS 278.011.

(2) Any state institution, board, commission or department may insure any property under its control, other than property insured as provided in subsection (1) of this section, against loss, damage or destruction by fire, storm, theft, collision or other hazard.

(3) The premium for such insurance shall be paid out of the appropriations made for or the funds subject to the disposition of the institution, board, commission or department carrying such insurance. Such insurance shall be supplemental to that afforded by the Restoration Fund, without right of the supplementary insurers, in event of loss, to subrogation to or contribution from that fund. [1953 c.581 §1; 1957 c.385 §3]

**278.090 Insurance on state vehicles.** The Department of Finance and Administration, and all other state agencies, shall carry liability and indemnity insurance on the motor vehicles under their control, for the protection of any officer or employe of the state operating such a motor vehicle in the performance of his official duties. In the case of state agencies, the premiums for such insurance shall be paid out of their respective appropriations or funds, and in the case of the Department of Finance and Administration the premiums shall be paid out of the Automotive Control Revolving Fund. [Amended by 1955 c.288 §1]

**278.100 to 278.980** [Reserved for expansion]

**278.990 Penalties.** The provisions of subsection (1) of ORS 291.990 apply to ORS 278.090. Any violation of ORS 278.090 shall, upon conviction, be punished as prescribed in subsection (1) of ORS 291.990.

#### CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173.170, I, Sam R. Haley, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.  
Done at Salem, Oregon,  
on December 2, 1957.

Sam R. Haley  
Legislative Counsel