

# House Bill 4028

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 **as introduced**.

Increases amount of lottery bonds issued to finance grants and loans for transportation projects by \$10 million for biennium beginning July 1, 2011.

Authorizes \$10 million in lottery bonds to be issued for water and sewer infrastructure projects.

Authorizes \$10 million in lottery bonds to be issued for community college capital construction.

Authorizes \$20 million in lottery bonds to be issued for Oregon Growth Account.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and section 20, chapter  
3 624, Oregon Laws 2011; and declaring an emergency.

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

5 **SECTION 1.** Section 20, chapter 624, Oregon Laws 2011, is amended to read:

6 **Sec. 20.** (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department  
7 of Administrative Services, in consultation with the Department of Transportation, the State Treas-  
8 urer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not  
9 to exceed net proceeds of [~~\$40~~] **\$50** million for the purpose described in subsection (2) of this section,  
10 plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

11 (2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the  
12 Multimodal Transportation Fund established under ORS 367.080 sufficient to provide [~~\$40~~] **\$50**  
13 million in net proceeds and interest earnings for the Department of Transportation to finance grants  
14 and loans for transportation projects as provided in ORS 367.080 to 367.086.

15 (3) Bond-related costs for the lottery bonds authorized by this section must be paid from the  
16 gross proceeds of the lottery bonds and from allocations for the purposes of ORS 286A.576 (1)(c).

17 (4) The Legislative Assembly finds that issuing lottery bonds to finance transportation projects  
18 pursuant to this section is essential to promoting the state's economic development and the use of  
19 lottery bond proceeds is authorized based on the following findings:

20 (a) There is an urgent need to improve and expand publicly owned and privately owned trans-  
21 portation infrastructure to support economic development in this state.

22 (b) A safe, efficient and reliable transportation network supports the long-term economic devel-  
23 opment and livability of this state.

24 (c) A multimodal network of air, rail, public transit, highway and marine transportation moves  
25 people and goods efficiently.

26 (d) Local governments and private sector businesses often lack capital and the technical ca-  
27 pacity to undertake multimodal transportation projects.

28 (e) Public financial assistance can stimulate industrial growth and commercial enterprise and

**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 promote employment opportunities in this state.

2 (f) Public investment in transportation infrastructure will create jobs and further economic de-  
3 velopment in this state.

4 (g) The use of lottery bond proceeds as provided in this section will create jobs, further eco-  
5 nomic development, finance public education or protect parks, watersheds, fish or wildlife within  
6 Oregon, and issuance of lottery bonds for the purpose described in this section is therefore an ap-  
7 propriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS  
8 461.510.

9 **SECTION 2.** ORS 285B.551 is amended to read:

10 285B.551. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department  
11 of Administrative Services, after the department consults with the Oregon Business Development  
12 Department, the State Treasurer is authorized to issue lottery bonds:

13 (a) To provide financial and other assistance, including but not limited to loans and grants, to  
14 municipalities, ports and other persons and entities in accordance with the laws governing use of  
15 moneys in the Special Public Works Fund created by ORS 285B.455, the Water Fund created by ORS  
16 285B.563, the Safe Drinking Water Revolving Loan Fund created by ORS 285A.213, the Oregon Port  
17 Revolving Fund created by ORS 285A.708, the Brownfields Redevelopment Fund created by ORS  
18 285A.188, the Oregon Business Development Fund created by ORS 285B.092 and the Marine Navi-  
19 gation Improvement Fund created by ORS 777.267.

20 (b) To fund Oregon’s share of the costs of the Columbia River channel deepening project.

21 (c) To fund Oregon’s share of the costs of studies and ecosystem restoration projects in the  
22 lower Columbia River estuary designed to improve habitat for listed endangered or threatened spe-  
23 cies of Columbia River anadromous salmonids.

24 (2) The use of lottery bond proceeds is authorized based on the following findings:

25 (a) The financial and other assistance to municipalities, ports and other persons and entities  
26 will assist in the establishment and expansion of businesses in Oregon and in the construction, im-  
27 provement and expansion of infrastructure, community and port facilities and other facilities that  
28 comprise the physical foundation for industrial and commercial activity and provide the basic  
29 framework for continued and expanded economic opportunities and quality communities throughout  
30 Oregon.

31 (b) The Columbia River channel deepening project is necessary to allow newer, larger  
32 steamships access to Oregon and Washington deep draft ports. A deeper shipping channel will allow  
33 the Columbia River to continue as a world leader in agricultural exports and as a key trade corridor  
34 for farms and businesses throughout Oregon and the region.

35 (c) Such financial and other assistance to municipalities, ports and other persons and entities  
36 and the deepening of the Columbia River channel will therefore promote economic development  
37 within this state, and thus the use of net proceeds derived from the operation of the Oregon State  
38 Lottery to pay debt service on lottery bonds issued under this section to provide such financial and  
39 other assistance to municipalities, ports and other persons and entities and to pay a portion of the  
40 costs of deepening the Columbia River channel is an authorized use of state lottery funds under  
41 section 4, Article XV of the Oregon Constitution, and ORS 461.510.

42 (d) The current lower Columbia River estuary habitat for listed endangered or threatened spe-  
43 cies of Columbia River anadromous salmonids could be improved through ecosystem restoration  
44 projects. The use of the Oregon State Lottery to pay debt service on lottery bonds issued under this  
45 section to pay for studying how the estuary could be improved and to pay for ecosystem restoration

1 projects are authorized uses of state lottery funds.

2 (3)(a) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of  
3 this section for financial and other assistance to municipalities, ports and other persons and entities  
4 may not exceed the sum of [~~\$276,226,252~~] **\$286,226,252** and an additional amount estimated by the  
5 State Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery  
6 bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening  
7 project may not exceed the sum of \$17.7 million and an additional amount estimated by the State  
8 Treasurer to be necessary to pay bond-related costs.

9 (b) The Oregon Department of Administrative Services may not request the issuance of lottery  
10 bonds under subsection (1)(b) of this section until the Director of the Oregon Business Development  
11 Department determines that a final environmental impact statement has been issued and a record  
12 of decisions has been submitted to Congress by the United States Army Corps of Engineers, Con-  
13 gress has authorized the Columbia River channel deepening project, and the Washington sponsors'  
14 shares of the costs of the Columbia River channel deepening project have been committed.

15 (4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section  
16 shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the  
17 State Treasury separate and distinct from the General Fund. Interest earned by the Economic  
18 Infrastructure Project Fund shall be credited to the fund. All moneys in the Economic Infrastructure  
19 Project Fund are continuously appropriated to the Oregon Business Development Department for  
20 any purpose for which moneys in the Special Public Works Fund created by ORS 285B.455 may be  
21 used, any purpose for which moneys in the Water Fund created by ORS 285B.563 may be used, any  
22 purpose for which moneys in the Safe Drinking Water Revolving Loan Fund created by ORS  
23 285A.213 may be used, any purpose for which moneys in the Oregon Port Revolving Fund created  
24 by ORS 285A.708 may be used, any purpose for which moneys in the Brownfields Redevelopment  
25 Fund created by ORS 285A.188 may be used, any purpose for which moneys in the Oregon Business  
26 Development Fund created by ORS 285B.092 may be used and any purpose for which moneys in the  
27 Marine Navigation Improvement Fund created by ORS 777.267 may be used. The Director of the  
28 Oregon Business Development Department shall allocate the moneys deposited in the Economic  
29 Infrastructure Project Fund for the purposes described in this subsection in accordance with the  
30 priorities developed by the Oregon Business Development Commission in accordance with ORS  
31 285A.020. However, the director shall transfer from the Economic Infrastructure Project Fund and  
32 deposit into the Channel Deepening Account of the Marine Navigation Improvement Fund the pro-  
33 ceeds of any lottery bonds sold to finance a portion of the costs of the Columbia River channel  
34 deepening project. Upon determining the relative allocation of moneys deposited in the Economic  
35 Infrastructure Project Fund among the purposes described in this subsection, the director shall  
36 transfer from the Economic Infrastructure Project Fund, and deposit into each of the other funds  
37 described in this subsection, the amounts so allocated. Notwithstanding any other provision of law  
38 governing the funds described in this subsection, the funds described in this subsection may be  
39 credited with moneys transferred from the Economic Infrastructure Project Fund by the director in  
40 accordance with this subsection.

41 (5) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(c) of this  
42 section for the costs of studies and ecosystem restoration projects in the lower Columbia River  
43 estuary may not exceed the sum of \$750,000 and an additional amount estimated by the State  
44 Treasurer to be necessary to pay bond-related costs. The net proceeds of lottery bonds issued pur-  
45 suant to subsection (1)(c) of this section shall be deposited in the Oregon Business, Innovation and

1 Trade Fund created by ORS 285A.227 and may be used only for the Oregon nonfederal share of  
 2 United States Army Corps of Engineers Columbia River estuary projects authorized by Congress  
 3 prior to August 9, 2001. The director may not request the issuance of lottery bonds under subsection  
 4 (1)(c) of this section until Congress and Washington have authorized their respective shares of the  
 5 costs of the studies and ecosystem restoration projects in the lower Columbia River estuary.

6 (6) The proceeds of lottery bonds issued pursuant to this section may be used only for the pur-  
 7 poses set forth in this section and for bond-related costs.

8 **SECTION 3. (1) For the biennium beginning July 1, 2011, at the request of the Oregon**  
 9 **Department of Administrative Services, in consultation with the Oregon Business Develop-**  
 10 **ment Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS**  
 11 **286A.560 to 286A.585 in an amount not to exceed net proceeds of \$10 million for the purpose**  
 12 **described in subsection (2) of this section, plus an additional amount, to be estimated by the**  
 13 **State Treasurer, for payment of bond-related costs.**

14 (2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the  
 15 Special Public Works Fund established under ORS 285B.455 sufficient to provide \$10 million  
 16 in net proceeds and interest earnings for the Oregon Business Development Department to  
 17 finance low-interest loans to municipalities, ports and other persons or entities for water and  
 18 sewer infrastructure projects.

19 (3) Bond-related costs for the lottery bonds authorized by this section must be paid from  
 20 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS  
 21 286A.576 (1)(c).

22 (4) The Legislative Assembly finds that issuing lottery bonds to finance water and sewer  
 23 infrastructure projects pursuant to this section is essential to promoting the state's eco-  
 24 nomic development and the use of lottery bond proceeds is authorized based on the following  
 25 findings:

26 (a) Financial assistance to municipalities, ports and other persons and entities for  
 27 projects to improve water or sewer infrastructure is essential to the health of the people of  
 28 this state.

29 (b) Public investments in water or sewer infrastructure projects will create jobs and  
 30 further economic growth while ensuring the continued health of water and sewer systems.

31 **SECTION 4. (1) For the biennium beginning July 1, 2011, at the request of the Oregon**  
 32 **Department of Administrative Services, in consultation with the Department of Community**  
 33 **Colleges and Workforce Development, the State Treasurer is authorized to issue lottery**  
 34 **bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$10**  
 35 **million for the purpose described in subsection (2) of this section, plus an additional amount,**  
 36 **to be estimated by the State Treasurer, for payment of bond-related costs.**

37 (2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the  
 38 Community College Capital Construction Fund established under ORS 341.725 sufficient to  
 39 provide \$10 million in net proceeds and interest earnings for the Department of Community  
 40 Colleges and Workforce Development to finance projects with a targeted workforce prepa-  
 41 ration and development focus that have been prioritized by all 17 community colleges in this  
 42 state.

43 (3) Bond-related costs for the lottery bonds authorized by this section must be paid from  
 44 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS  
 45 286A.576 (1)(c).

1       (4) The Legislative Assembly finds that issuing lottery bonds to finance community col-  
2 lege capital construction projects pursuant to this section is essential to promoting the  
3 state's economic development and the use of lottery bond proceeds is authorized based on  
4 the following findings:

5       (a) New buildings and facilities are needed for community colleges to have adequate fa-  
6 cilities for teaching.

7       (b) Development of community college infrastructure with a focus on workforce prepa-  
8 ration and development prioritized by all 17 community colleges in this state will serve to  
9 educate and develop a future workforce essential to Oregon's economic growth.

10       SECTION 5. (1) For the biennium beginning July 1, 2011, at the request of the Oregon  
11 Department of Administrative Services, in consultation with the Oregon Growth Account  
12 Board, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to  
13 286A.585 in an amount not to exceed net proceeds of \$20 million for the purpose described in  
14 subsection (2) of this section, plus an additional amount, to be estimated by the State  
15 Treasurer, for payment of bond-related costs.

16       (2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the  
17 Oregon Growth Account established under ORS 348.702, or a successor account, sufficient  
18 to provide \$20 million in net proceeds and interest earnings for the Oregon Growth Account  
19 Board to make loans available for established businesses that are ready to expand, to finance  
20 ventures to increase the flow of out-of-state capital into Oregon and to otherwise enhance  
21 Oregon's business climate for starting companies in this state.

22       (3) Bond-related costs for the lottery bonds authorized by this section must be paid from  
23 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS  
24 286A.576 (1)(c).

25       (4) The Legislative Assembly finds that issuing lottery bonds pursuant to this section is  
26 essential to promoting the state's economic development and the use of lottery bond pro-  
27 ceeds is authorized based on the following findings:

28       (a) Encouraging investment in and the availability of capital to Oregon businesses fur-  
29 thers economic development in Oregon.

30       (b) Increasing the flow of out-of-state capital into Oregon, improving the availability of  
31 loans for established businesses that are ready to expand and enhancing Oregon's business  
32 climate for starting companies will create jobs and enhance the overall economic develop-  
33 ment of this state.

34       SECTION 6. This 2012 Act being necessary for the immediate preservation of the public  
35 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect  
36 on its passage.

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