

# A-Engrossed House Bill 5035

Ordered by the House June 25  
Including House Amendments dated June 25

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Budget and Management Division, 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.

Maintains lottery revenues available to benefit public purposes during biennium beginning July 1, 2007, in Administrative Services Economic Development Fund. Allocates moneys from fund for biennium beginning July 1, 2007.

Directs Oregon Department of Administrative Services to establish process for quarterly allocations of moneys from Administrative Services Economic Development Fund.

Transfers certain interest earnings from Oregon Education Fund to Lottery Bond Fund for payments by Department of Education on education lottery bonds.

**Limits biennial expenditures from lottery moneys allocated to Economic and Community Development Department, Department of Transportation, Housing and Community Services Department and Oregon Department of Administrative Services for specified purposes.**

Declares emergency, effective July 1, 2007.

## A BILL FOR AN ACT

Relating to state financial administration; limiting expenditures; and declaring an emergency.

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

**SECTION 1. During the biennium beginning July 1, 2007, all lottery revenues available to benefit the public purposes specified in section 4, Article XV of the Oregon Constitution, that are in excess of distributions or allocations required by law shall be maintained in the Administrative Services Economic Development Fund.**

**SECTION 2. All moneys in the Administrative Services Economic Development Fund as of July 1, 2007, and thereafter are reserved to meet the commitments of this 2007 Act.**

**SECTION 3. The following amounts are allocated for the biennium beginning July 1, 2007, from the Administrative Services Economic Development Fund, to the Economic and Community Development Department, for the following purposes:**

13	(1) Department operations .....	\$ 18,379,555
14	(2) Oregon Main Street staff.....	\$ 135,431
15	(3) Oregon Community	
16	Development Fund .....	\$ 43,269,190
17	(4) Strategic Reserve for	
18	Workforce .....	\$ 1,700,000
19	(5) Targeted Service Providers.....	\$ 1,350,000
20	(6) Oregon Main Street .....	\$ 500,000
21	(7) Targeted Workforce Training...	\$ 250,000
22	(8) Olympic Trials.....	\$ 500,000

**Note: For budget, see 2007-2009 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       (9) Oregon Film and Video Office .. \$ 1,281,695
- 2       (10) Principal and interest
- 3             payments on lottery
- 4             revenue bonds..... \$ 57,726,272

5       **SECTION 4.** Notwithstanding any other law limiting expenditures, the amount of  
6 \$5,250,000 is established for the biennium beginning July 1, 2007, as the maximum limit for  
7 payment of expenses from lottery moneys allocated from the Administrative Services Eco-  
8 nomic Development Fund to the Economic and Community Development Department for  
9 deposit in the Oregon Community Development Fund, for the Oregon Innovation Council for  
10 the development of a signature research center focused on drug development in the areas  
11 of infectious diseases.

12       **SECTION 5.** Notwithstanding any other law limiting expenditures, the amount of \$200,000  
13 is established for the biennium beginning July 1, 2007, as the maximum limit for payment of  
14 expenses from lottery moneys allocated from the Administrative Services Economic Devel-  
15 opment Fund to the Economic and Community Development Department for the strategic  
16 reserve for workforce development and for other economic development investments.

17       **SECTION 6.** There is allocated for the biennium beginning July 1, 2007, from the Admin-  
18 istrative Services Economic Development Fund, to the Economic and Community Develop-  
19 ment Department, the amount of \$449,647 for the purpose of paying, when due, the principal,  
20 interest and premium, if any, on outstanding lottery bonds for Coos Bay channel deepening  
21 projects authorized pursuant to section 13, chapter \_\_\_\_, Oregon Laws 2007 (Enrolled House  
22 Bill 5036), and on any bonds issued to refund such lottery bonds, of funding reserves for any  
23 of those bonds and of paying related costs of the department.

24       **SECTION 7.** Notwithstanding any other law limiting expenditures, for the biennium be-  
25 ginning July 1, 2007, the maximum limit for payment of expenses from lottery moneys allo-  
26 cated from the Administrative Services Economic Development Fund to the Economic and  
27 Community Development Department for debt service under section 3 (10), chapter \_\_\_\_,  
28 Oregon Laws 2007 (Enrolled Senate Bill 5508), is increased by \$389,882.

29       **SECTION 8.** There is allocated for the biennium beginning July 1, 2007, from the Admin-  
30 istrative Services Economic Development Fund, to the Department of Education, for the  
31 State School Fund, the amount of \$634,142,231.

32       **SECTION 9.** There is allocated for the biennium beginning July 1, 2007, from the Admin-  
33 istrative Services Economic Development Fund, to the Department of Transportation, the  
34 amount of \$41,579,216 for the purposes of paying, when due, the principal, interest and pre-  
35 mium, if any, on outstanding lottery bonds for rail projects, rail infrastructure assistance  
36 and multimodal transportation infrastructure projects and on any bonds issued to refund  
37 such lottery bonds, of funding reserves for any of those bonds and of paying related costs  
38 of the department.

39       **SECTION 10.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
40 ministrative Services Economic Development Fund, to the Department of Transportation,  
41 the amount of \$4,931,493 for the purpose of paying, when due, the principal, interest and  
42 premium, if any, on lottery bonds for rail projects, rail infrastructure assistance and multi-  
43 modal transportation infrastructure projects authorized pursuant to section 1, chapter \_\_\_\_,  
44 Oregon Laws 2007 (Enrolled House Bill 2278), and on any bonds issued to refund such lottery  
45 bonds, of funding reserves for any of those bonds and of paying related costs of the depart-

1 ment.

2 **SECTION 11.** Pursuant to ORS 461.549, there is allocated for the biennium beginning July  
3 1, 2007, from the Administrative Services Economic Development Fund, to the Problem  
4 Gambling Treatment Fund, for distribution to counties for treatment of gambling addiction,  
5 the amount of \$13,161,496.

6 **SECTION 12.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
7 ministrative Services Economic Development Fund, to the Department of Education, for the  
8 Lottery Bond Fund for the purpose of paying, when due, the principal, interest and premium,  
9 if any, on outstanding education lottery bonds, the amount of \$41,874,677.

10 **SECTION 13.** There is transferred to the Lottery Bond Fund for the biennium beginning  
11 July 1, 2007, out of the Oregon Education Fund, 100 percent of the declared earnings on the  
12 Education Stability Fund that are transferred to the Oregon Education Fund during the  
13 biennium beginning July 1, 2007, to be used by the Department of Education for the purposes  
14 of maintaining cash flow and paying, when due, the principal, interest and premium, if any,  
15 on outstanding education lottery bonds.

16 **SECTION 14.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
17 ministrative Services Economic Development Fund, to the Housing and Community Services  
18 Department, for the purpose of paying, when due, the principal, interest and premium, if any,  
19 on outstanding lottery bonds, the amount of \$4,396,584.

20 **SECTION 15.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
21 ministrative Services Economic Development Fund, to the Housing and Community Services  
22 Department, the amount of \$1,476,120 for the purpose of paying, when due, the principal, in-  
23 terest and premium, if any, on lottery bonds issued to finance homeless housing.

24 **SECTION 16.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
25 ministrative Services Economic Development Fund, to the Oregon Department of Adminis-  
26 trative Services, for transfer to the State Department of Agriculture, the amount of \$35,190  
27 for the purpose of supporting the administration of county fairs in this state.

28 **SECTION 17.** Pursuant to ORS 565.447, there is allocated for the biennium beginning July  
29 1, 2007, from the Administrative Services Economic Development Fund, to the Oregon De-  
30 partment of Administrative Services, the amount of \$3,557,141 for the purpose of supporting  
31 county fairs in this state. Funds allocated under this section shall be deposited in the County  
32 Fair Account established by ORS 565.445.

33 **SECTION 18.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
34 ministrative Services Economic Development Fund, to the Oregon Department of Adminis-  
35 trative Services, the amount of \$1,605,934 for the purpose of paying, when due, the principal,  
36 interest and premium, if any, and bond-related costs on outstanding lottery bonds issued to  
37 finance equipment modernization for public broadcasting in Oregon.

38 **SECTION 19.** Notwithstanding any other law limiting expenditures, for the biennium be-  
39 ginning July 1, 2007, the maximum limit for payment of expenses from lottery moneys allo-  
40 cated from the Administrative Services Economic Development Fund to the Oregon  
41 Department of Administrative Services for the purpose of paying, when due, the principal,  
42 interest and premium, if any, and bond-related costs on lottery bonds issued to finance  
43 equipment modernization for public broadcasting in Oregon pursuant to section 16, chapter  
44 \_\_\_\_, Oregon Laws 2007 (Enrolled House Bill 5036), is increased by \$168,703.

45 **SECTION 19a.** There is allocated for the biennium beginning July 1, 2007, from the Ad-

1 administrative Services Economic Development Fund, to the Oregon Department of Adminis-  
2 trative Services, the amount of \$168,703 for the purpose of paying, when due, the principal,  
3 interest and premium, if any, on lottery bonds issued for equipment modernization for public  
4 broadcasting in Oregon.

5 **SECTION 20.** During the biennium beginning July 1, 2007, the Oregon Department of  
6 Administrative Services shall transfer to the Oregon Public Broadcasting Corporation  
7 \$3,000,000 of the proceeds from lottery bonds issued to finance modernization of equipment  
8 for public broadcasting in Oregon.

9 **SECTION 21.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
10 ministrative Services Economic Development Fund, to the Department of Higher Education,  
11 the amount of \$7,948,180 for the purpose of paying, when due, the principal, interest and  
12 premium, if any, on outstanding lottery bonds issued to finance facilities construction and  
13 deferred maintenance projects.

14 **SECTION 22.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
15 ministrative Services Economic Development Fund, to the office of the Governor, the  
16 amount of \$2,146,112 for expenses of the Economic Revitalization Team.

17 **SECTION 23.** For the purpose of carrying out the provisions of ORS 461.543 (4), there is  
18 allocated for the biennium beginning July 1, 2007, from the Administrative Services Economic  
19 Development Fund, to the Sports Lottery Account, the amount of \$11,634,945.

20 **SECTION 24.** There is allocated for the biennium beginning July 1, 2007, from the Ad-  
21 ministrative Services Economic Development Fund, to the Oregon Department of Adminis-  
22 trative Services, the amount of \$45,182,914 for distribution to counties for economic  
23 development activities as provided by ORS 461.547.

24 **SECTION 25.** (1) The Oregon Department of Administrative Services shall establish by  
25 rule a process for allocating available moneys in the Administrative Services Economic De-  
26 velopment Fund on a quarterly basis to fulfill the biennial allocations made in this 2007 Act.  
27 All quarterly allocations shall be set by the Oregon Department of Administrative Services.

28 (2) If, in any quarter, the moneys transferred from the State Lottery Fund to the Ad-  
29 ministrative Services Economic Development Fund are insufficient to pay for the quarterly  
30 allocations made under this 2007 Act, the Oregon Department of Administrative Services:

31 (a) Shall satisfy the debt service obligations for Westside Light Rail in the amount of  
32 \$19,927,285 prior to making any other allocations pursuant to this 2007 Act.

33 (b) Subject to paragraph (a) of this subsection, prior to making any other allocations  
34 pursuant to this 2007 Act, shall satisfy debt service obligations in the following amounts:

- 35 (A) Economic and Community  
36 Development Department ..... \$ 58,175,919
- 37 (B) Department of Education ..... \$ 41,874,677
- 38 (C) Housing and Community Services  
39 Department ..... \$ 5,872,704
- 40 (D) Oregon Department of  
41 Administrative Services ..... \$ 1,774,637
- 42 (E) Department of Higher  
43 Education ..... \$ 13,277,317
- 44 (F) Department of Transportation  
45 for rail and infrastructure

