

House Bill 5035

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 **as introduced**.

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.

Declares emergency, effective July 1, 2007.

A BILL FOR AN ACT

Relating to state financial administration; 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:

- (1) Department operations \$ 18,779,555
- (2) Oregon Community Development Fund \$ 84,507,118
- (3) Oregon Film and Video Office .. \$ 1,281,695
- (4) Principal and interest payments on lottery revenue bonds \$ 57,786,037

SECTION 4. There is allocated for the biennium beginning July 1, 2007, from the Administrative Services Economic Development Fund, to the Department of Education, for the State School Fund, the amount of \$534,142,231.

SECTION 5. There is allocated for the biennium beginning July 1, 2007, from the Administrative Services Economic Development Fund, to the Department of Transportation, the amount of \$54,767,020 for the purposes of paying, when due, the principal, interest and premium, if any, on outstanding lottery bonds for rail projects, rail infrastructure assistance and multimodal transportation infrastructure projects and on any bonds issued to refund

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 such lottery bonds, of funding reserves for any of those bonds and of paying related costs
2 of the department.

3 **SECTION 6.** Pursuant to ORS 461.549, there is allocated for the biennium beginning July
4 1, 2007, from the Administrative Services Economic Development Fund, to the Problem
5 Gambling Treatment Fund, for distribution to counties for treatment of gambling addiction,
6 the amount of \$12,432,971.

7 **SECTION 7.** There is allocated for the biennium beginning July 1, 2007, from the Admin-
8 istrative Services Economic Development Fund, to the Department of Education, for the
9 Lottery Bond Fund for the purpose of paying, when due, the principal, interest and premium,
10 if any, on outstanding education lottery bonds, the amount of \$43,000,003.

11 **SECTION 8.** There is transferred to the Lottery Bond Fund for the biennium beginning
12 July 1, 2007, out of the Oregon Education Fund, 100 percent of the declared earnings on the
13 Education Stability Fund that are transferred to the Oregon Education Fund during the
14 biennium beginning July 1, 2007, to be used by the Department of Education for the purposes
15 of maintaining cash flow and paying, when due, the principal, interest and premium, if any,
16 on outstanding education lottery bonds.

17 **SECTION 9.** There is allocated for the biennium beginning July 1, 2007, from the Admin-
18 istrative Services Economic Development Fund, to the Housing and Community Services
19 Department, for the purpose of paying, when due, the principal, interest and premium, if any,
20 on outstanding lottery bonds, the amount of \$6,048,291.

21 **SECTION 10.** There is allocated for the biennium beginning July 1, 2007, from the Ad-
22 ministrative Services Economic Development Fund, to the Oregon Department of Adminis-
23 trative Services, for transfer to the State Department of Agriculture, the amount of \$35,190
24 for the purpose of supporting the administration of county fairs in this state.

25 **SECTION 11.** Pursuant to ORS 565.447, there is allocated for the biennium beginning July
26 1, 2007, from the Administrative Services Economic Development Fund, to the Oregon De-
27 partment of Administrative Services, the amount of \$3,557,141 for the purpose of supporting
28 county fairs in this state. Funds allocated under this section shall be deposited in the County
29 Fair Account established by ORS 565.445.

30 **SECTION 12.** There is allocated for the biennium beginning July 1, 2007, from the Ad-
31 ministrative Services Economic Development Fund, to the Oregon Department of Adminis-
32 trative Services, the amount of \$1,615,754 for the purpose of paying, when due, the principal,
33 interest and premium, if any, and bond-related costs on outstanding lottery bonds issued to
34 finance equipment modernization for public broadcasting in Oregon.

35 **SECTION 13.** There is allocated for the biennium beginning July 1, 2007, from the Ad-
36 ministrative Services Economic Development Fund, to the Department of Higher Education,
37 the amount of \$17,987,120 for the purpose of paying, when due, the principal, interest and
38 premium, if any, on outstanding lottery bonds issued to finance facilities construction and
39 deferred maintenance projects.

40 **SECTION 14.** There is allocated for the biennium beginning July 1, 2007, from the Ad-
41 ministrative Services Economic Development Fund, to the office of the Governor, the
42 amount of \$1,871,541 for expenses of the Economic Revitalization Team.

43 **SECTION 15.** For the purpose of carrying out the provisions of ORS 461.543 (4), there is
44 allocated for the biennium beginning July 1, 2007, from the Administrative Services Economic
45 Development Fund, to the Sports Lottery Account, the amount of \$12,432,971.

1 **SECTION 16.** There is allocated for the biennium beginning July 1, 2007, from the Ad-
2 ministrative Services Economic Development Fund, to the Oregon Department of Adminis-
3 trative Services, the amount of \$43,848,688 for distribution to counties for economic
4 development activities as provided by ORS 461.547.

5 **SECTION 17.** (1) The Oregon Department of Administrative Services shall establish by
6 rule a process for allocating available moneys in the Administrative Services Economic De-
7 velopment Fund on a quarterly basis to fulfill the biennial allocations made in this 2007 Act.
8 All quarterly allocations shall be set by the Oregon Department of Administrative Services.

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

12 (a) Shall satisfy the debt service obligations for Westside Light Rail in the amount of
13 \$19,927,285 prior to making any other allocations pursuant to this 2007 Act.

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

- 16 (A) Economic and Community
17 Development Department \$ 57,786,037
- 18 (B) Department of Education \$ 43,000,003
- 19 (C) Housing and Community Services
20 Department \$ 6,048,291
- 21 (D) Oregon Department of
22 Administrative Services \$ 1,615,754
- 23 (E) Department of Higher
24 Education \$ 17,987,120
- 25 (F) Department of Transportation
26 for rail and infrastructure
27 projects \$ 34,839,735

28 (3) After the debt service obligations described in subsection (2) of this section are sat-
29 isfied, if the remaining moneys transferred from the State Lottery Fund to the Administra-
30 tive Services Economic Development Fund are insufficient to pay for the quarterly
31 allocations made under this 2007 Act, the allocations shall be reduced proportionately in
32 sufficient amounts to accommodate the revenue shortfall.

33 **SECTION 18.** This 2007 Act being necessary for the immediate preservation of the public
34 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect
35 July 1, 2007.