

HOUSE AMENDMENTS TO HOUSE BILL 5036

By JOINT COMMITTEE ON WAYS AND MEANS

June 25

1 On page 1 of the printed bill, line 2, delete “section 2” and insert “sections 2 and 3”.

2 On page 2, line 20, delete “\$327.27” and insert “\$248.7”.

3 On page 3, line 25, after “maintenance” insert “and capital renewal, code compliance and
4 safety”.

5 In line 32, after “maintenance” insert “and capital renewal, code compliance and safety”.

6 In line 33, delete “\$69.085” and insert “\$69.43”.

7 After line 34, insert:

8 “(4) Of the net proceeds of lottery bonds issued pursuant to this section for the biennium be-
9 ginning July 1, 2007, an amount not to exceed \$50 million shall be deposited in the Department of
10 Higher Education Deferred Maintenance and Capital Repair Project Fund established by section 3,
11 chapter 788, Oregon Laws 2005.

12 “**SECTION 3.** Section 3, chapter 788, Oregon Laws 2005, is amended to read:

13 “**Sec. 3.** (1) The Department of Higher Education Deferred Maintenance **and Capital Repair**
14 Project Fund is established separate and distinct from the General Fund. Interest earned by the
15 Department of Higher Education Deferred Maintenance **and Capital Repair** Project Fund shall be
16 credited to the fund.

17 “(2) Net proceeds of lottery bonds issued pursuant to section 2, **chapter 788, Oregon Laws**
18 **2005**, [of this 2005 Act] shall be deposited into the Department of Higher Education Deferred Main-
19 tenance **and Capital Repair** Project Fund. Moneys in the fund are continuously appropriated to the
20 Department of Higher Education for deferred maintenance **and capital repair** projects.”.

21 In line 35, delete “3” and insert “4”.

22 On page 4, line 4, delete “4” and insert “5”.

23 In line 8, delete “3” and insert “4”.

24 Delete lines 12 through 45 and delete pages 5 and 6 and insert:

25 “**SECTION 6.** As used in sections 6 to 10 of this 2007 Act, ‘City of Hillsboro Downtown
26 Parking Facility’ or ‘facility’ means the acquisition, construction and procurement of all
27 components of a public parking facility to be established in the City of Hillsboro.

28 “**SECTION 7.** (1) Notwithstanding ORS 286.505 to 286.545, for the biennium beginning July
29 1, 2007, at the request of the Director of the Economic and Community Development De-
30 partment, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286.560
31 to 286.580 in the amount of \$7 million for payment of the expenses of the City of Hillsboro
32 for the establishment of the City of Hillsboro Downtown Parking Facility, plus an additional
33 amount to be estimated by the State Treasurer for payment of bond-related costs incurred
34 by the Economic and Community Development Department, the Oregon Department of Ad-
35 ministrative Services and the State Treasurer.

1 “(2) The bond-related costs incurred by the Economic and Community Development De-
2 partment, the Oregon Department of Administrative Services and the State Treasurer for
3 the lottery bonds authorized by this section shall be paid from the gross proceeds of the
4 lottery bonds, from allocations for the purposes of ORS 286.576 (1)(c) or from moneys in the
5 City of Hillsboro Downtown Parking Facility Fund established under section 9 of this 2007
6 Act.

7 “SECTION 8. The Legislative Assembly finds that:

8 “(1) The City of Hillsboro Downtown Parking Facility will accomplish the purpose of
9 creating jobs and furthering economic development in Oregon because construction and op-
10 eration of a parking facility in the downtown area of the City of Hillsboro will:

11 “(a) Enhance access to transit options for employees in an area in which the population
12 has doubled since 1990.

13 “(b) Allow for increased investment in allied health training and education, areas in
14 which the State of Oregon needs assessments performed by the Employment Department
15 identified a projected shortage.

16 “(c) Increase the likelihood of federal funding for the facility and add new moneys that
17 directly benefit Oregon’s construction industry as a result of receiving authorization for the
18 issuance of lottery bonds.

19 “(2) The factors described in subsection (1) of this section will encourage and promote
20 economic development within the State of Oregon, and issuance of lottery bonds to finance
21 the City of Hillsboro Downtown Parking Facility is therefore an appropriate use of state
22 lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

23 “SECTION 9. (1) The City of Hillsboro Downtown Parking Facility Fund is established
24 separate and distinct from the General Fund. The moneys in the City of Hillsboro Downtown
25 Parking Facility Fund and the interest earnings of the fund are continuously appropriated
26 to the Economic and Community Development Department for the purpose described in
27 subsection (2) of this section, for payment of the department’s expenses incurred for enter-
28 ing into, modifying and administering the grant agreement authorized by this section in an
29 amount up to \$36,000 and for payment of bond-related costs. The fund consists of moneys
30 deposited in the fund under section 7 of this 2007 Act, and may include fees, moneys or other
31 revenues available for payment of expenses of establishing the facility.

32 “(2) Subject to subsection (3) of this section, moneys in the fund shall be available for
33 immediate distribution to the City of Hillsboro to pay the expenses of the facility.

34 “(3) The Director of the Economic and Community Development Department shall enter
35 into a grant agreement with the City of Hillsboro that requires:

36 “(a) The city to agree in the grant agreement authorized by this section:

37 “(A) To indemnify the state government, as defined in ORS 174.111, to the fullest extent
38 permitted by law for any liability the state government might incur in connection with a
39 borrowing by the city for the facility.

40 “(B) Not to request or accept moneys from the state General Fund for the facility.

41 “(C) To refund the difference to the director for deposit in the City of Hillsboro Down-
42 town Parking Facility Fund if, upon completion of the facility, the aggregate expenditure of
43 state and local moneys is less than \$8.6 million.

44 “(b) The department to disburse, over the course of the development of the facility, an
45 aggregate amount of \$7 million to the City of Hillsboro from the City of Hillsboro Downtown

1 **Parking Facility Fund when:**

2 **“(A) Moneys are available;**

3 **“(B) The director determines that the city has entered into one or more contracts that**
4 **have an aggregate value of at least \$16 million for final design, construction or acquisition**
5 **of components of the facility; and**

6 **“(C) The director determines that the city has provided documentation that it will have**
7 **sufficient financing to complete the facility.**

8 **“(4) If, on or before June 30, 2008, the director has not distributed bond proceeds to the**
9 **City of Hillsboro under the requirements of this section and the grant agreement, the di-**
10 **rector shall:**

11 **“(a) Evaluate the likelihood that the bond proceeds will be distributed before June 30,**
12 **2009; and**

13 **“(b) Report the findings of the evaluation to the Oregon Department of Administrative**
14 **Services and the State Treasurer on or before September 1, 2008.**

15 **“SECTION 10. The State of Oregon is not liable to the lenders, vendors or contractors**
16 **of the City of Hillsboro for any action or omission under sections 6 to 10 of this 2007 Act or**
17 **the grant agreement authorized by section 9 of this 2007 Act.**

18 **“SECTION 11. As used in sections 11 to 15 of this 2007 Act:**

19 **“(1) ‘Act of God’ means an unanticipated grave natural disaster or other natural phe-**
20 **nomenon of an exceptional, inevitable and irresistible character, the effects of which could**
21 **not have been prevented or avoided by the exercise of due care or foresight.**

22 **“(2) ‘Coos Bay Channel Project’ means a project to deepen and widen the lower Coos Bay**
23 **deep draft navigation channel, west of the Coos Bay railroad bridge, to perform ecosystem**
24 **investigation and restoration projects and to make additional navigational system improve-**
25 **ments including, but not limited to, structural work at the entrance jetties, navigation aids**
26 **and other design or engineering tasks.**

27 **“(3) ‘Oregon sponsors’ means the Oregon International Port of Coos Bay or any agency**
28 **acting as a financial contributor to the Coos Bay Channel Project.**

29 **“(4) ‘Primary sponsor’ means the Oregon International Port of Coos Bay as represen-**
30 **tative of the Oregon sponsors.**

31 **“SECTION 12. The Legislative Assembly finds that:**

32 **“(1)(a) The Coos Bay Channel Project will create jobs and further economic development**
33 **in Oregon because deepening and widening the lower Coos Bay deep draft navigation channel,**
34 **west of the Coos Bay railroad bridge, will allow the Oregon International Port of Coos Bay**
35 **to accommodate new generations of deep draft cargo vessels and to diversify the types of**
36 **cargo that can be processed through the port, increasing maritime and international trade**
37 **throughout Oregon, improving the attractiveness of Oregon to new businesses and support-**
38 **ing the operations and prosperity of existing businesses.**

39 **“(b) Authorization for the issuance of lottery bonds will increase the likelihood of federal**
40 **funding for the project, encourage the development of public and private sector partnerships**
41 **to continue the modernization and expansion of the Oregon International Port of Coos Bay,**
42 **including the development and construction of an intermodal container terminal for Coos**
43 **Bay harbor, and add new income that will directly benefit Oregon’s dredging, construction**
44 **or maritime industries.**

45 **“(2) The factors described in subsection (1) of this section will encourage and promote**

1 economic development within the state, and the issuance of lottery bonds to finance the Coos
2 Bay Channel Project is therefore an appropriate use of state lottery funds to pay the
3 amounts specified in section 13 of this 2007 Act, under section 4, Article XV of the Oregon
4 Constitution, and under ORS 461.510. Neither the faith and credit nor any of the taxing power
5 of the state is pledged or otherwise committed by sections 11 to 15 of this 2007 Act, and the
6 commitments of the state under sections 11 to 15 of this 2007 Act and ORS 777.277 to 777.287
7 do not constitute a debt or liability of the state within the meaning of section 7, Article XI
8 of the Oregon Constitution.

9 **“SECTION 13.** (1) In addition to amounts authorized under ORS 286.505 to 286.545, the
10 State Treasurer, at the request of the Director of the Economic and Community Develop-
11 ment Department, may issue lottery bonds pursuant to ORS 286.560 to 286.580:

12 **“(a)** In an amount of up to \$60 million for payment of the expenses of the Coos Bay
13 Channel Project in increments described in subsection (2) of this section; and

14 **“(b)** In an additional amount to be estimated by the State Treasurer for payment of
15 bond-related costs of the Oregon Department of Administrative Services, the Economic and
16 Community Development Department and the State Treasurer.

17 **“(2)** The director shall request the State Treasurer to issue the amount of bonds de-
18 scribed in subsection (1)(a) of this section in increments that allow the director, at the re-
19 quest of the primary sponsor, to transfer:

20 **“(a)** In the biennium beginning July 1, 2007, up to \$5 million in net proceeds of lottery
21 bonds to the Coos Bay Channel Fund established in section 15 of this 2007 Act for distribution
22 to the primary sponsor after the director finds that the primary sponsor has taken action
23 pursuant to the grant agreement required in section 14 of this 2007 Act that triggers the
24 distribution of bond proceeds described in this paragraph.

25 **“(b)** In the biennium beginning July 1, 2009, up to \$15 million in net proceeds of lottery
26 bonds to the Coos Bay Channel Fund established in section 15 of this 2007 Act for distribution
27 to the primary sponsor after the director finds that the primary sponsor has taken action
28 pursuant to the grant agreement required in section 14 of this 2007 Act that triggers the
29 distribution of bond proceeds described in this paragraph.

30 **“(c)** In the biennium beginning July 1, 2011, up to \$40 million in net proceeds of lottery
31 bonds to the Coos Bay Channel Fund established in section 15 of this 2007 Act for distribution
32 to the primary sponsor after the director finds that the primary sponsor has taken action
33 pursuant to the grant agreement required in section 14 of this 2007 Act that triggers the
34 distribution of bond proceeds described in this paragraph.

35 **“(3)** Lottery bonds authorized under this section may not be issued after June 30, 2013.

36 **“SECTION 14.** (1) The Director of the Economic and Community Development Depart-
37 ment shall enter into one or more grant agreements with the primary sponsor that require
38 the Economic and Community Development Department to disburse, over the course of the
39 project, an aggregate principal amount of \$60 million for payment of the expenses of the Coos
40 Bay Channel Project, in the increments described in section 13 (2) of this 2007 Act, from the
41 Coos Bay Channel Fund established pursuant to section 15 of this 2007 Act, to the primary
42 sponsor. The department shall make disbursements from the fund as soon as bond proceeds
43 are deposited in the fund.

44 **“(2)** The one or more grant agreements must:

45 **“(a)** Subject to subsection (4) of this section, establish appropriate triggers for the in-

1 **cremental biennial distribution of bond proceeds described in section 13 (2) of this 2007 Act**
2 **based on appropriate measures of progress in completion of the project that are satisfactory**
3 **to the director and consistent with prudent financial practices that reflect sound stewardship**
4 **of public resources.**

5 **“(b) Require the primary sponsor to:**

6 **“(A) Return bond proceeds distributed and reimburse the State of Oregon for expen-**
7 **ditures made pursuant to sections 11 to 15 of this 2007 Act if the director determines that**
8 **the project is not substantially completed by July 1, 2019, unless the project is not substan-**
9 **tially completed:**

10 **“(i) Due to an act of God; or**

11 **“(ii) Because the State of Oregon fails to distribute one or more of the increments of**
12 **bond proceeds described in section 13 (2) of this 2007 Act and required to substantially com-**
13 **plete the project, for a reason other than a failure of the primary sponsor to take action to**
14 **trigger the distribution or a failure of the project to meet federal or state environmental**
15 **permitting standards necessary to complete the project.**

16 **“(B) Provide evidence satisfactory to the director that the primary sponsor has obtained**
17 **a letter of credit, entered into a surety bond agreement or provided other similar financial**
18 **assurance to guarantee the return of bond proceeds and reimbursement for expenditures**
19 **required by this paragraph.**

20 **“(3) Notwithstanding subsection (2)(b)(B) of this section, the primary sponsor may choose**
21 **to guarantee the bond proceeds distributed and the state expenditures made in the biennium**
22 **beginning July 1, 2007, by converting the amount into a loan subject to an agreement that**
23 **allows the primary sponsor to repay the amount over time at terms provided for in the grant**
24 **agreement.**

25 **“(4)(a) Prior to the distribution of bond proceeds described in section 13 (2)(a) of this 2007**
26 **Act, the primary sponsor shall provide to the director a budget document outlining expen-**
27 **ditures for the Coos Bay Channel Project and verify and certify to the director that:**

28 **“(A) The primary sponsor has entered into a commercially reasonable agreement with a**
29 **cargo terminal developer to construct and operate cargo terminal facilities on the Coos Bay**
30 **channel;**

31 **“(B) The Secretary of the Army has authorized the performance of environmental studies**
32 **on the channel pursuant to section 203 of the Water Resources Development Act of 1986**
33 **(P.L. 99-662); and**

34 **“(C) The cargo terminal developer has entered into, or made appropriate progress in ne-**
35 **gotiations toward, a contract with rail service providers to ensure adequate rail**
36 **infrastructure and service capacity to serve the cargo terminal facilities to be developed as**
37 **part of the Coos Bay Channel Project.**

38 **“(b) Prior to the distribution of bond proceeds described in section 13 (2)(b) of this 2007**
39 **Act, the primary sponsor shall provide an updated budget document outlining expenditures**
40 **for the Coos Bay Channel Project and verify and certify to the director that:**

41 **“(A) The Secretary of the Army has provided a favorable recommendation to Congress**
42 **to proceed with the Coos Bay Channel Project; and**

43 **“(B) The primary sponsor has obtained, or has reasonable assurance of obtaining, ade-**
44 **quate funding to complete permitting and engineering work on the Coos Bay Channel Project.**

45 **“(c) Prior to the distribution of bond proceeds described in section 13 (2)(c) of this 2007**

1 Act, the primary sponsor shall provide an updated budget outlining expenditures for the
2 completion of the Coos Bay Channel Project and verify and certify to the director that:

3 “(A) The sponsor has received the necessary approvals and permits under ORS 196.600
4 to 196.905 and section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.)
5 to allow the Coos Bay Channel Project to be completed; and

6 “(B) The primary sponsor has obtained, or has reasonable assurance of obtaining, ade-
7 quate funding to complete the Coos Bay Channel Project.

8 “(5) The State of Oregon and its agencies and departments are not liable to the lenders,
9 vendors or contractors of the Oregon sponsors for any action or omission under sections 11
10 to 15 of this 2007 Act.

11 “(6) By receipt of any part of net proceeds of lottery bonds described in section 13 of this
12 2007 Act, the primary sponsor agrees to indemnify the state and its agencies and depart-
13 ments to the fullest extent permitted by law for liability the state or its agencies and de-
14 partments might incur in connection with any borrowing by the primary sponsor for the
15 project.

16 “SECTION 15. (1) The Coos Bay Channel Fund is established separate and distinct from
17 the General Fund. Interest earned by the Coos Bay Channel Fund shall be credited to the
18 fund. The moneys in the Coos Bay Channel Fund are continuously appropriated to the Eco-
19 nomic and Community Development Department for the purpose described in subsection (2)
20 of this section. The fund shall consist of moneys transferred to the fund under section 13
21 of this 2007 Act and interest earnings on moneys in the fund.

22 “(2) Moneys in the fund are available to the department for distribution to the primary
23 sponsor to pay the nonfederal cost share, or the nonprivate cost share, of expenses of the
24 project up to the amount specified in section 13 of this 2007 Act and to pay bond-related
25 costs.

26 “SECTION 16. (1) Pursuant to ORS 286.560 to 286.580, lottery bonds may be issued to fund
27 grants to the Oregon Public Broadcasting Corporation for the purpose of building digital
28 transmission facilities to serve the people of Oregon.

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

30 “(a) The public broadcasting system in Oregon provides programming designed and se-
31 lected to assist in the education of viewers in broad areas of knowledge, skill development,
32 finance, recreation, culture, government, history and the arts.

33 “(b) A digital upgrade to the public broadcasting system in Oregon will tie the state to-
34 gether, thereby expanding opportunities for economic growth and employment.

35 “(c) Building of the digital transmission facilities must begin by June 1, 2008, to meet
36 federal transmission requirements in 2009.

37 “(3) The aggregate principal amount of lottery bonds issued pursuant to this section may
38 not exceed the sum of \$3 million and an additional amount estimated by the State Treasurer
39 to be necessary to pay bond-related costs as defined in ORS 286.560. Lottery bonds issued
40 pursuant to this section shall be issued only at the request of the Director of the Oregon
41 Department of Administrative Services.

42 “(4) The net proceeds of lottery bonds issued pursuant to this section shall be deposited
43 in the Public Broadcasting in Oregon Lottery Project Fund, which is established in the State
44 Treasury, separate and distinct from the General Fund. Interest earned by the Public
45 Broadcasting in Oregon Lottery Project Fund shall be credited to the fund. The moneys in

1 the Public Broadcasting in Oregon Lottery Project Fund are continuously appropriated to the
2 Oregon Department of Administrative Services for the purpose described in subsection (1)
3 of this section.

4 “(5) The proceeds of the lottery bonds issued pursuant to this section shall be used only
5 for the purpose set forth in subsection (1) of this section and for bond-related costs.

6 **“SECTION 17.** As used in sections 17 to 21 of this 2007 Act:

7 “(1) ‘Preconstruction’ means project design and engineering or right-of-way acquisition
8 that is undertaken prior to entering a construction contract.

9 “(2) ‘Southeast Metropolitan Extension Project’ means each stage of the preconstruction
10 activities and construction activities, including but not limited to design, engineering, right-
11 of-way acquisition and procurement and installation of components, to extend light rail be-
12 tween Portland and Clackamas County.

13 “(3) ‘Tri-Met’ means the Tri-County Metropolitan Transportation District of Oregon, a
14 mass transit district created under ORS chapter 267.

15 **“SECTION 18.** (1) In addition to amounts authorized under ORS 286.505 to 286.545, for the
16 biennium beginning July 1, 2007, the State Treasurer may issue lottery bonds pursuant to
17 ORS 286.560 to 286.580 in the amount of \$250 million for payment of the expenses of the
18 Southeast Metropolitan Extension Project, plus an additional amount to be estimated by the
19 State Treasurer for payment of bond-related costs of the Oregon Department of Adminis-
20 trative Services, the Department of Transportation and the State Treasurer.

21 “(2) Lottery bonds authorized under this section shall be issued no later than June 30,
22 2009, at the request of the Director of Transportation in accordance with the grant agree-
23 ment described in section 21 of this 2007 Act. If the requirements specified in section 21 of
24 this 2007 Act have not been met by June 30, 2009, the lottery bonds authorized under this
25 section may not be issued.

26 “(3) Net proceeds of lottery bonds issued under this section, in the amount of \$250
27 million, shall be deposited in the Southeast Metropolitan Extension Project Fund established
28 by section 20 of this 2007 Act.

29 “(4) The bond-related costs of the Oregon Department of Administrative Services, the
30 Department of Transportation and the State Treasurer for the lottery bonds authorized by
31 this section shall be paid from the gross proceeds of lottery bonds issued under subsection
32 (2) of this section and from allocations under ORS 286.576 (1)(c).

33 **“SECTION 19.** The Legislatively Assembly finds that:

34 “(1) The Southeast Metropolitan Extension Project will accomplish the purposes of cre-
35 ating jobs and furthering economic development in Oregon because:

36 “(a) Construction and operation of the Southeast Metropolitan Extension Project will
37 reduce traffic congestion on existing highways and roads, improving the attractiveness of the
38 metropolitan area to new businesses and supporting the operations and prosperity of existing
39 businesses;

40 “(b) Construction and operation of the Southeast Metropolitan Extension Project will
41 reduce the cost and time required for family wage earners to commute to work, permitting
42 more of Oregon’s workforce to obtain jobs for which these workers are qualified; and

43 “(c) Authorization of the issuance of lottery bonds for the Southeast Metropolitan Ex-
44 tension Project will increase the likelihood of receiving federal funds for the Southeast Met-
45 ropolitan Extension Project that add new revenues that will directly benefit Oregon’s

1 construction industry.

2 “(2) The factors described in subsection (1) of this section will encourage and promote
3 economic development within the State of Oregon, and issuance of lottery bonds to finance
4 the Southeast Metropolitan Extension Project is therefore an appropriate use of state lottery
5 funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

6 “SECTION 20. The Southeast Metropolitan Extension Project Fund is established sepa-
7 rate and distinct from the General Fund. The moneys in the Southeast Metropolitan Ex-
8 tension Project Fund and the interest earnings on the fund are continuously appropriated to
9 the Department of Transportation for the purposes described in section 21 of this 2007 Act
10 and for the purpose of paying the administrative expenses incurred by the department by
11 entering into and administering the grant agreement authorized under section 21 of this 2007
12 Act. The fund consists of moneys deposited into the fund under section 18 of this 2007 Act
13 and may include fees, moneys or other revenues available for payment of expenses of the
14 Southeast Metropolitan Extension Project from the United States Department of Transpor-
15 tation or the Federal Highway Administration.

16 “SECTION 21. (1) The Director of Transportation shall enter into a grant agreement with
17 Tri-Met no later than June 30, 2009, that requires the Department of Transportation to dis-
18 burse to Tri-Met from the Southeast Metropolitan Extension Project Fund established by
19 section 20 of this 2007 Act an aggregate amount of \$250 million, plus interest earnings on
20 moneys in the fund, over the course of the Southeast Metropolitan Extension Project to pay
21 for costs of the project.

22 “(2) Disbursements from the fund authorized by this section shall be made when:

23 “(a) Moneys are available in the fund;

24 “(b) Tri-Met has entered into one or more contracts for the design, construction or ac-
25 quisition of components of the Southeast Metropolitan Extension Project; and

26 “(c) The director determines that:

27 “(A) Tri-Met has entered into necessary intergovernmental agreements with local gov-
28 ernments and can demonstrate it has sufficient financing to complete the preconstruction
29 or construction phase of the Southeast Metropolitan Extension Project for which funds are
30 requested;

31 “(B) Tri-Met has agreed as part of the grant agreement authorized by this section that
32 Tri-Met will not request or accept any state General Fund moneys for the Southeast Met-
33 ropolitan Extension Project; and

34 “(C) Except for land required for right-of-way acquisition, Tri-Met has obtained the land
35 use final order for the phase of the project for which disbursements are requested.

36 “(3) After a determination by the director that Tri-Met has met all of the conditions de-
37 scribed in subsection (2) of this section, the department shall disburse to Tri-Met from the
38 Southeast Metropolitan Extension Project Fund the amount requested by Tri-Met until all
39 moneys in the fund have been disbursed to Tri-Met.

40 “(4) The state is not liable to the lenders, vendors or contractors of Tri-Met for any
41 action or omission under sections 18 to 21 of this 2007 Act or the grant agreement authorized
42 by this section, except for a failure to allocate and deposit in the Southeast Metropolitan
43 Extension Project Fund amounts authorized by section 18 of this 2007 Act or to disburse
44 from the fund to Tri-Met amounts required by this section and the grant agreement au-
45 thorized by this section.

1 **“SECTION 22. (1) In addition to the amounts authorized under ORS 286.505 to 286.545, for**
2 **the biennium beginning July 1, 2007, at the request of the Director of Transportation, the**
3 **State Treasurer may issue lottery bonds pursuant to ORS 286.560 to 286.580 to provide**
4 **funding for grants authorized under section 23 of this 2007 Act.**

5 **“(2) The use of lottery bond proceeds as provided in subsection (1) of this section will**
6 **create jobs and further economic development in the State of Oregon and is a lawful use of**
7 **lottery funds under section 4, Article XV of the Oregon Constitution, because:**

8 **“(a) There is an emerging market for streetcar manufacturing within the United States.**

9 **“(b) Oregon’s manufacturing sector is in a unique position to enter into or enhance its**
10 **participation in this specialized market.**

11 **“(c) Manufacturing 20 streetcar vehicles per year for the next 10 to 15 years is projected**
12 **to create 300 permanent manufacturing jobs in Oregon.**

13 **“(d) By entering into or enhancing their participation in this market, Oregon manufac-**
14 **turers will create jobs for Oregon residents.**

15 **“(3) The aggregate principal amount of lottery bonds issued pursuant to this section may**
16 **not exceed \$20 million, plus an additional amount to be estimated by the State Treasurer for**
17 **payment of bond-related costs of the Department of Administrative Services, the Department**
18 **of Transportation and the State Treasurer.**

19 **“(4) Lottery bonds issued under this section shall be issued no later than June 30, 2009,**
20 **at the request of the director in accordance with the grant agreement described in section**
21 **23 of this 2007 Act.**

22 **“(5) The net proceeds of lottery bonds issued pursuant to this section shall be deposited**
23 **in the Oregon Streetcar Project Fund established by section 23 of this 2007 Act and used only**
24 **for the purposes specified in section 23 (3) of this 2007 Act and for bond-related costs.**

25 **“SECTION 23. (1) The Oregon Streetcar Project Fund is established separate and distinct**
26 **from the General Fund. Interest earned on moneys in the Oregon Streetcar Project Fund**
27 **shall be credited to the Oregon Streetcar Project Fund.**

28 **“(2) The Oregon Streetcar Project Fund shall consist of lottery bond proceeds deposited**
29 **in the fund, earnings on the fund and any other moneys appropriated to the fund by the**
30 **Legislative Assembly.**

31 **“(3) The moneys in the Oregon Streetcar Project Fund are continuously appropriated to**
32 **the Department of Transportation for the purposes of:**

33 **“(a) Making grants to municipalities, as defined in ORS 285B.410, to provide streetcars**
34 **for public transit systems; and**

35 **“(b) Paying the administrative costs incurred by the department in administering the**
36 **grant program.**

37 **“(4) Funds for grants authorized under this section may be disbursed only when:**

38 **“(a) Funds are available in the Oregon Streetcar Project Fund;**

39 **“(b) The grant recipient has applied for the funding using the application procedures**
40 **adopted by the department by rule and has entered into a grant agreement with the depart-**
41 **ment that:**

42 **“(A) Requires the applicant to operate a public transit system that includes streetcars**
43 **that are available to the public;**

44 **“(B) Requires that grant funds be used only for the costs of purchasing newly con-**
45 **structed streetcars from an Oregon-based and Oregon-owned manufacturer; and**

1 “(C) Includes any other provisions the department determines necessary to implement
2 the purposes of this section and to protect the interest of the public; and

3 “(c) The Director of Transportation determines that the purchase of streetcars as con-
4 templated in the grant agreement will result in the creation or maintenance of jobs with
5 Oregon manufacturers of streetcars. If the director determines that there are no Oregon
6 manufacturers of streetcars, the director may decline to request the issuance of bonds au-
7 thorized under section 22 of this 2007 Act or may authorize grant agreements that include
8 the purchase of streetcars from out-of-state manufacturers.

9 “SECTION 24. (1) The Department of Transportation shall study the effect of grants au-
10 thorized by section 23 of this 2007 Act on the creation or maintenance of jobs in Oregon, and
11 shall file semiannual reports with the Oregon Transportation Commission on the findings of
12 the studies conducted.

13 “(2) The department shall adopt rules and develop policies and grant application proce-
14 dures necessary to achieve the goals of the grant program.

15 “SECTION 25. This 2007 Act being necessary for the immediate preservation of the public
16 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect
17 July 1, 2007.”.