

House Bill 5036

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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 authorized to be issued by Economic and Community Development Department.

Increases amount of lottery bonds authorized to be issued by Department of Higher Education for deferred maintenance projects.

Authorizes issuance of lottery bonds for Department of Higher Education capital renewal, code compliance and safety projects. Establishes Department of Higher Education Capital Renewal, Code Compliance and Safety Projects Fund. Appropriates moneys from fund to department for capital renewal, code compliance and safety projects.

Authorizes issuance of lottery bonds for Housing and Community Services Department for development of housing for populations at risk of homelessness. Establishes Housing and Community Services Department Self-Sufficiency Housing Fund. Appropriates moneys from fund to department for purpose of providing housing to at-risk populations.

Authorizes use of lottery bonds for specified Department of Higher Education capital construction projects. Establishes related funds and accounts.

Declares emergency, effective July 1, 2007.

A BILL FOR AN ACT

1
2 Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and section 2, chapter
3 788, Oregon Laws 2005; appropriating money; and declaring an emergency.

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

5 **SECTION 1.** ORS 285B.551 is amended to read:

6 285B.551. (1) Pursuant to ORS 286.560 to 286.580, lottery bonds may be issued:

7 (a) To provide financial and other assistance, including but not limited to loans and grants, to
8 municipalities, ports and other persons and entities in accordance with the laws governing use of
9 moneys in the Special Public Works Fund created by ORS 285B.455, the Water Fund created by ORS
10 285B.563, the Safe Drinking Water Revolving Loan Fund created by ORS 285A.213, the Oregon Port
11 Revolving Fund created by ORS 285A.708, the Brownfields Redevelopment Fund created by ORS
12 285A.188, the Oregon Business Development Fund created by ORS 285B.092 and the Marine Navigation
13 Improvement Fund created by ORS 777.267.

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

15 (c) To fund Oregon's share of the costs of studies and ecosystem restoration projects in the
16 lower Columbia River estuary designed to improve habitat for listed endangered or threatened species
17 of Columbia River anadromous salmonids.

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

19 (a) The financial and other assistance to municipalities, ports and other persons and entities
20 will assist in the establishment and expansion of businesses in Oregon and in the construction, improvement
21 and expansion of infrastructure, community and port facilities and other facilities that
22 comprise the physical foundation for industrial and commercial activity and provide the basic
23 framework for continued and expanded economic opportunities and quality communities throughout

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 Oregon.

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

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

13 (d) The current lower Columbia River estuary habitat for listed endangered or threatened spe-
14 cies of Columbia River anadromous salmonids could be improved through ecosystem restoration
15 projects. The use of the Oregon State Lottery to pay debt service on lottery bonds issued under this
16 section to pay for studying how the estuary could be improved and to pay for ecosystem restoration
17 projects are authorized uses of state lottery funds.

18 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of this
19 section for financial and other assistance to municipalities, ports and other persons and entities may
20 not exceed the sum of [~~\$227.27~~] **\$327.27** million and an additional amount estimated by the State
21 Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery
22 bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening
23 project may not exceed the sum of \$17.7 million and an additional amount estimated by the State
24 Treasurer to be necessary to pay bond-related costs. Lottery bonds issued pursuant to this section
25 may be issued only at the request of the Director of the Economic and Community Development
26 Department. The director may not request the issuance of lottery bonds pursuant to subsection (1)(b)
27 of this section until a final environmental impact statement has been issued and a record of deci-
28 sions has been submitted to Congress by the United States Army Corps of Engineers, Congress has
29 authorized the Columbia River channel deepening project, and the Washington sponsors' shares of
30 the costs of the Columbia River channel deepening project have been committed.

31 (4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section
32 shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the
33 State Treasury separate and distinct from the General Fund. All moneys in the Economic
34 Infrastructure Project Fund are continuously appropriated to the Economic and Community Devel-
35 opment Department for any purpose for which moneys in the Special Public Works Fund created by
36 ORS 285B.455 may be used, any purpose for which moneys in the Water Fund created by ORS
37 285B.563 may be used, any purpose for which moneys in the Safe Drinking Water Revolving Loan
38 Fund created by ORS 285A.213 may be used, any purpose for which moneys in the Oregon Port
39 Revolving Fund created by ORS 285A.708 may be used, any purpose for which moneys in the
40 Brownfields Redevelopment Fund created by ORS 285A.188 may be used, any purpose for which
41 moneys in the Oregon Business Development Fund created by ORS 285B.092 may be used and any
42 purpose for which moneys in the Marine Navigation Improvement Fund created by ORS 777.267 may
43 be used. The Director of the Economic and Community Development Department shall allocate the
44 moneys deposited in the Economic Infrastructure Project Fund for the purposes described in this
45 subsection in accordance with the policies developed by the Oregon Economic and Community De-

1 velopment Commission in accordance with ORS 285A.045. However, the director shall transfer from
 2 the Economic Infrastructure Project Fund and deposit into the Channel Deepening Account of the
 3 Marine Navigation Improvement Fund the proceeds of any lottery bonds sold to finance a portion
 4 of the costs of the Columbia River channel deepening project. Upon determining the relative allo-
 5 cation of moneys deposited in the Economic Infrastructure Project Fund among the purposes de-
 6 scribed in this subsection, the director shall transfer from the Economic Infrastructure Project Fund,
 7 and deposit into each of the other funds described in this subsection, the amounts so allocated.
 8 Notwithstanding any other provision of law governing the funds described in this subsection, the
 9 funds described in this subsection may be credited with moneys transferred from the Economic
 10 Infrastructure Project Fund by the director in accordance with this subsection.

11 (5) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(c) of this
 12 section for the costs of studies and ecosystem restoration projects in the lower Columbia River
 13 estuary may not exceed the sum of \$750,000 and an additional amount estimated by the State
 14 Treasurer to be necessary to pay bond-related costs. The net proceeds of lottery bonds issued pur-
 15 suant to subsection (1)(c) of this section shall be deposited in the Oregon Community Development
 16 Fund created by ORS 285A.227 and may be used only for the Oregon nonfederal share of United
 17 States Army Corps of Engineers Columbia River estuary projects authorized by Congress prior to
 18 August 9, 2001. The director may not request the issuance of lottery bonds pursuant to subsection
 19 (1)(c) of this section until Congress and Washington have authorized their respective shares of the
 20 costs of the studies and ecosystem restoration projects in the lower Columbia River estuary.

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

23 **SECTION 2.** Section 2, chapter 788, Oregon Laws 2005, is amended to read:

24 **Sec. 2.** (1) Pursuant to ORS 286.560 to 286.580, lottery bonds may be issued by the Department
 25 of Higher Education for deferred maintenance projects.

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

27 (a) Major subsystems within university buildings are wearing out and must be replaced in order
 28 that universities have adequate facilities for teaching.

29 (b) Having safe and fully functioning university facilities is essential to Oregon's healthy eco-
 30 nomic growth.

31 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this
 32 section by the Department of Higher Education for deferred maintenance projects may not exceed
 33 the amount of [~~\$19.43~~] **\$69.085** million and an additional amount estimated by the State Treasurer
 34 to be necessary to pay bond-related costs as defined in ORS 286.560.

35 **SECTION 3.** (1) Pursuant to ORS 286.560 to 286.580, lottery bonds may be issued for the
 36 **Housing and Community Services Department to provide housing for populations at risk of**
 37 **homelessness through facilitating development, including funding construction, renovation**
 38 **and supportive services, of housing units.**

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

40 (a) **Individuals who are at risk of homelessness increase their potential for self-**
 41 **sufficiency, and use proportionately fewer community-funded resources when they are pro-**
 42 **vided a stable housing environment including appropriate services.**

43 (b) **Having housing for at-risk populations is essential to Oregon's healthy economic**
 44 **growth.**

45 (3) **The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of**

1 this section by the Housing and Community Services Department may not exceed the amount
 2 of \$16 million and an additional amount estimated by the State Treasurer to be necessary to
 3 pay bond-related costs as defined in ORS 286.560.

4 **SECTION 4.** (1) The Housing and Community Services Department Self-Sufficiency
 5 Housing Fund is established separate and distinct from the General Fund. Interest earned
 6 by the Housing and Community Services Department Self-Sufficiency Housing Fund shall be
 7 credited to the fund.

8 (2) Net proceeds of lottery bonds issued pursuant to section 3 of this 2007 Act shall be
 9 deposited into the Housing and Community Services Department Self-Sufficiency Housing
 10 Fund. Moneys in the fund are continuously appropriated to the Housing and Community
 11 Services Department for providing housing to populations at risk of homelessness.

12 **SECTION 5.** (1) Pursuant to ORS 286.560 to 286.580, lottery bonds may be issued for the
 13 Department of Higher Education to fund projects for:

14 (a) A regional information center at Eastern Oregon University;

15 (b) Deferred maintenance and seismic upgrades at Inlow Hall at Eastern Oregon Uni-
 16 versity, Nash Hall at Oregon State University, Lincoln Hall and Science Building II at
 17 Portland State University, Fenton Hall at the University of Oregon and the Humanities and
 18 Social Sciences facility at Western Oregon University;

19 (c) Sustainable energy projects involving geothermal electrical generation at the Oregon
 20 Institute of Technology, a biofuels laboratory and learning center, the National Wave Energy
 21 Research Center and a wind farm project at Oregon State University, and solar power at the
 22 University of Oregon, Portland State University and regional campuses;

23 (d) Expansion and remodeling of the Theatre Arts facility at Southern Oregon University;

24 (e) Construction of the ORBIS Cascade Alliance Regional Library Services Center;

25 (f) Construction of a business, math and computer science facility at Western Oregon
 26 University; and

27 (g) Capital renewal, code compliance and safety projects at all state university campuses.

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

29 (a) A regional information center at Eastern Oregon University will support increased
 30 enrollment at the Eastern Oregon University campus and expanded distance learning oppor-
 31 tunities throughout the state, creating jobs and economic activity in La Grande and other
 32 areas of Oregon.

33 (b) Major subsystems within university buildings are wearing out and must be replaced
 34 in order for universities to have adequate facilities for teaching. Having safe and fully func-
 35 tioning facilities is essential to Oregon's healthy economic growth.

36 (c) Diversifying Oregon's energy resources by bringing home-grown sources of clean
 37 power online will strengthen the economy and expand the state's industrial base. A growing
 38 infrastructure of renewable energy production and technology will bring good jobs and eco-
 39 nomic benefits to rural economies and large population centers. Oregon's universities have
 40 the research capacity to develop and demonstrate renewable energy technologies.

41 (d) Expansion and remodeling of the Theatre Arts facility at Southern Oregon University
 42 will attract faculty and students to the university and create jobs and substantial economic
 43 activity for the Ashland area.

44 (e) Construction of a regional library services center that will house 2,000,000 volumes
 45 for use by universities throughout Oregon and Washington will create jobs and substantial

1 economic activity for the Eugene area.

2 (f) Development of new facilities for the business, math and computer sciences programs
3 at Western Oregon University will attract faculty and students to the university and create
4 jobs and substantial economic activity for the Monmouth area.

5 (g) Funding for current capital renewal and repair, code compliance, Americans with
6 Disabilities Act requirements and safety-related projects is needed to keep the backlog of
7 deferred maintenance projects from growing. Having safe and fully functioning facilities is
8 essential to Oregon's healthy economic growth.

9 (3) The aggregate principal amount of lottery bonds issued pursuant to this section may
10 not exceed the sum of \$174,905,000 and an additional amount estimated by the State Treas-
11 urer to be necessary to pay bond-related costs as defined in ORS 286.560. Lottery bonds is-
12 sued pursuant to this section shall be issued only at the request of the Chancellor of the
13 Oregon University System.

14 (4)(a)(A) The Eastern Oregon University Regional Information Center Project Fund is
15 established separate and distinct from the General Fund. Interest earned by the Eastern
16 Oregon University Regional Information Center Project Fund shall be credited to the fund.

17 (B) Of the net proceeds of lottery bonds issued pursuant to this section, an amount not
18 to exceed \$17,900,000 shall be deposited in the Eastern Oregon University Regional Informa-
19 tion Center Project Fund. Moneys in the fund are continuously appropriated to the Depart-
20 ment of Higher Education for the Eastern Oregon Regional Information Center project.

21 (b) Of the net proceeds of lottery bonds issued pursuant to this section, an amount not
22 to exceed \$49,655,000 shall be deposited in the Department of Higher Education Deferred
23 Maintenance Project Fund established by section 3, chapter 788, Oregon Laws 2005.

24 (c)(A) The Department of Higher Education Renewable Energy Demonstration Projects
25 Fund is established separate and distinct from the General Fund. Interest earned by the
26 Department of Higher Education Renewable Energy Demonstration Projects Fund shall be
27 credited to the fund.

28 (B) Of the net proceeds of lottery bonds issued pursuant to this section, an amount not
29 to exceed \$10,000,000 shall be deposited in the Department of Higher Education Renewable
30 Energy Demonstration Projects Fund.

31 (d)(A) The Southern Oregon University Theatre Arts Expansion and Remodel Project
32 Fund is established separate and distinct from the General Fund. Interest earned by the
33 Southern Oregon University Theatre Arts Expansion and Remodel Project Fund shall be
34 credited to the fund.

35 (B) Of the net proceeds of lottery bonds issued pursuant to this section, an amount not
36 to exceed \$4,350,000 shall be deposited in the Southern Oregon University Theatre Arts Ex-
37 pansion and Remodel Project Fund.

38 (e)(A) The Department of Higher Education ORBIS Cascade Alliance Regional Library
39 Services Center Project Fund is established separate and distinct from the General Fund.
40 Interest earned by the Department of Higher Education ORBIS Cascade Alliance Regional
41 Library Services Center Project Fund shall be credited to the fund.

42 (B) Of the net proceeds of lottery bonds issued pursuant to this section, an amount not
43 to exceed \$4,600,000 shall be deposited in the Department of Higher Education ORBIS Cascade
44 Alliance Regional Library Services Center Project Fund.

45 (f)(A) The Western Oregon University Business, Math and Computer Science Con-

1 **struction Fund is established separate and distinct from the General Fund. Interest earned**
2 **by Western Oregon University Business, Math and Computer Science Construction Fund**
3 **shall be credited to the fund.**

4 **(B) Of the net proceeds of lottery bonds issued pursuant to this section, an amount not**
5 **to exceed \$3,000,000 shall be deposited to the Western Oregon University Business, Math and**
6 **Computer Science Construction Fund.**

7 **(C) Of the net lottery bonds issued pursuant to this section, an amount not to exceed**
8 **\$5,000,000 shall be deposited to the Western Oregon University Business, Math and Computer**
9 **Science Facility Project Account established in section 10, chapter____, Oregon Laws 2007**
10 **(Senate Bill 5516).**

11 **(g)(A) The Department of Higher Education Capital Renewal, Code Compliance and Safety**
12 **Projects Fund is established separate and distinct from the General Fund. Interest earned**
13 **by the Department of Higher Education Capital Renewal, Code Compliance and Safety**
14 **Projects Fund shall be credited to the fund.**

15 **(B) Of the net proceeds of lottery bonds issued pursuant to this section, an amount not**
16 **to exceed \$80,400,000 shall be deposited in the Department of Higher Education Capital Re-**
17 **newal, Code Compliance and Safety Projects Fund.**

18 **SECTION 6. This 2007 Act being necessary for the immediate preservation of the public**
19 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
20 **July 1, 2007.**

21 _____