

A-Engrossed
House Bill 2396

Ordered by the House April 16
Including House Amendments dated April 16

Sponsored by Representatives C EDWARDS, HOLVEY; Representatives BARNHART, BEYER, NATHANSON (Pre-session filed.)

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.

Authorizes issuance of lottery bonds to finance extension of bus rapid transit system in west Eugene.

Creates West Eugene EmX Extension Fund. Continuously appropriates moneys in fund to [*Economic and Community Development Department*] **Oregon Department of Administrative Services.**

Directs department to use moneys in fund to finance costs incurred by Lane Transit District to establish West Eugene EmX Extension.

Declares emergency, effective July 1, 2009.

A BILL FOR AN ACT

1
2 Relating to public borrowing for West Eugene EmX Extension; appropriating money; and declaring
3 an emergency.

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

5 **SECTION 1. As used in sections 1 to 5 of this 2009 Act, "West Eugene EmX Extension"**
6 **means the acquisition, construction and procurement of the components of an extension of**
7 **the bus rapid transit system in west Eugene by the Lane Transit District.**

8 **SECTION 2. (1) At the request of the Oregon Department of Administrative Services, the**
9 **State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585:**

10 (a) **For the biennium beginning July 1, 2009, in an amount not to exceed net proceeds of**
11 **\$1.6 million for the purpose described in subsection (2) of this section, plus an additional**
12 **amount, to be estimated by the State Treasurer, for payment of bond-related costs;**

13 (b) **For the biennium beginning July 1, 2011, in an amount not to exceed net proceeds of**
14 **\$8.4 million for the purpose described in subsection (2) of this section, plus an additional**
15 **amount, to be estimated by the State Treasurer, for payment of bond-related costs; and**

16 (c) **For the biennium beginning July 1, 2013, in an amount not to exceed net proceeds of**
17 **\$20 million for the purpose described in subsection (2) of this section, plus an additional**
18 **amount, to be estimated by the State Treasurer, for payment of bond-related costs.**

19 (2) **Net proceeds of bonds issued pursuant to this section must be deposited in the West**
20 **Eugene EmX Extension Fund established in section 4 of this 2009 Act sufficient to provide**
21 **\$30 million in net proceeds and interest earnings for disbursement to the Lane Transit Dis-**
22 **trict to establish the West Eugene EmX Extension.**

23 (3) **Bond-related costs for the lottery bonds authorized by this section must be paid from**
24 **the gross proceeds of the lottery bonds and from allocations for the purposes of ORS**
25 **286A.576 (1)(c).**

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.

SECTION 3. The Legislative Assembly finds that:

(1) Establishment of the West Eugene EmX Extension will:

(a) Enhance transportation options for employees in a portion of the urban growth boundary that contains large, undeveloped tracts of land available for development.

(b) Provide public transportation facilities necessary to support and promote capital investment and job growth within the undeveloped portion of the urban growth boundary.

(c) Create jobs in the construction industry.

(2) Approval of lottery bonds for the West Eugene EmX Extension will increase the likelihood that federal funds will be made available for construction of the project.

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

SECTION 4. (1) The West Eugene EmX Extension Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the West Eugene EmX Extension Fund shall be credited to the fund. The fund consists of moneys deposited in the fund under section 2 of this 2009 Act, and may include fees, revenues or other income deposited into the fund by the Legislative Assembly for payment of costs incurred to establish the West Eugene EmX Extension. Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for the purposes described in subsection (2) of this section.

(2) Subject to section 5 of this 2009 Act, moneys in the fund are available for:

(a) Disbursement to the Lane Transit District to pay \$30 million of the costs incurred to establish the West Eugene EmX Extension.

(b) Payment of bond-related costs, as defined in ORS 286A.560.

SECTION 5. (1) The Oregon Department of Administrative Services, in consultation with the Department of Transportation, shall enter into a grant agreement with the Lane Transit District that requires:

(a) The district to:

(A) Indemnify the state government, as defined in ORS 174.111, to the fullest extent permitted by law for any liability the state government might incur in connection with borrowing by the district for the West Eugene EmX Extension.

(B) Refrain from requesting or accepting moneys from the General Fund for the West Eugene EmX Extension.

(C) Refund to the Oregon Department of Administrative Services for deposit in the West Eugene EmX Extension Fund, upon completion of the West Eugene EmX Extension, the amount by which the aggregate expenditure for the extension is less than \$75 million.

(b) The Oregon Department of Administrative Services to disburse, over the course of the development of the West Eugene EmX Extension, an aggregate amount of \$30 million to the district from the West Eugene EmX Extension Fund when:

(A) Moneys are available;

(B) The department determines that the district has entered into one or more contracts that have an aggregate value of at least \$75 million for the acquisition, construction and procurement of the components of the West Eugene EmX Extension; and

(C) The department determines that the district has provided documentation showing

1 **that the district will have sufficient financing to complete the West Eugene EmX Extension.**

2 **(2) The State of Oregon is not liable to the lenders, vendors or contractors of the Lane**
3 **Transit District for any action or omission under sections 1 to 5 of this 2009 Act or the grant**
4 **agreement authorized by this section.**

5 **SECTION 6. This 2009 Act being necessary for the immediate preservation of the public**
6 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**
7 **July 1, 2009.**

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