

House Bill 2396

Sponsored by Representatives C EDWARDS, HOLVEY (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 **as introduced**.

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.

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) For the biennium beginning July 1, 2009, at the request of the Director**
9 **of the Economic and Community Development Department, the State Treasurer is author-**
10 **ized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in the amount of \$30 million**
11 **to finance the Lane Transit District's cost to establish the West Eugene EmX Extension,**
12 **plus an additional amount, to be estimated by the State Treasurer, for payment of bond-**
13 **related costs incurred by the department and the State Treasurer.**

14 **(2) Net proceeds of lottery bonds issued under subsection (1) of this section, in the**
15 **amount of \$30 million, must be deposited in the West Eugene EmX Extension Fund estab-**
16 **lished in section 4 of this 2009 Act.**

17 **(3) Bond-related costs incurred by the Economic and Community Development Depart-**
18 **ment and the State Treasurer for the lottery bonds authorized by this section must be paid**
19 **from the gross proceeds of the lottery bonds and from allocations for the purposes of ORS**
20 **286A.576 (1)(c).**

21 **SECTION 3. The Legislative Assembly finds that:**

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

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

25 **(b) Provide public transportation facilities necessary to support and promote capital in-**
26 **vestment and job growth within the undeveloped portion of the urban growth boundary.**

27 **(c) Create jobs in the construction industry.**

28 **(2) Approval of lottery bonds for the West Eugene EmX Extension will increase the**

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 likelihood that federal funds will be made available for construction of the project.

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

6 **SECTION 4.** (1) The West Eugene EmX Extension Fund is established separate and dis-
 7 tinct from the General Fund. The moneys in the West Eugene EmX Extension Fund and the
 8 interest earnings on moneys in the fund are continuously appropriated to the Economic and
 9 Community Development Department for the purposes described in subsection (2) of this
 10 section. The fund consists of moneys deposited in the fund under section 2 of this 2009 Act,
 11 and may include other fees, revenues or other income transferred into the fund by the Leg-
 12 islative Assembly for payment of costs incurred to establish the West Eugene EmX Exten-
 13 sion.

14 (2) Subject to subsection (3) of this section, moneys in the fund are available for imme-
 15 diate distribution to the Lane Transit District to pay the costs incurred to establish the West
 16 Eugene EmX Extension.

17 (3) The Director of the Economic and Community Development Department shall enter
 18 into a grant agreement with the Lane Transit District that requires:

19 (a) The district to agree in the grant agreement authorized by this section:

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

23 (B) Not to request or accept moneys from the General Fund for the West Eugene EmX
 24 Extension.

25 (C) To refund the difference to the director for deposit in the West Eugene EmX Exten-
 26 sion Fund if, upon completion of the extension, the aggregate expenditure of state and local
 27 moneys is less than \$75 million.

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

31 (A) Moneys are available;

32 (B) The director determines that the district has entered into one or more contracts that
 33 have an aggregate value of at least \$75 million for the final design, construction or acquisi-
 34 tion of components of the West Eugene EmX Extension; and

35 (C) The director determines that the district has provided documentation that the dis-
 36 trict will have sufficient financing to complete the facility.

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

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