

**Enrolled**  
**Senate Bill 5535**

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CHAPTER .....

AN ACT

Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and sections 2 and 3, chapter 788, Oregon Laws 2005, sections 14 and 15, chapter 2, Oregon Laws 2009 (Enrolled Senate Bill 338) and sections 39 and 98, chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208); repealing section 38, chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208); appropriating money; and declaring an emergency.

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

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

285B.551. (1) Pursuant to ORS 286A.560 to 286A.585, [*lottery bonds may be issued*] **at the request of the Oregon Department of Administrative Services, after the department consults with the Economic and Community Development Department, the State Treasurer is authorized to issue lottery bonds:**

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

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

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

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

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

(b) The Columbia River channel deepening project is necessary to allow newer, larger steamships access to Oregon and Washington deep draft ports. A deeper shipping channel will allow

the Columbia River to continue as a world leader in agricultural exports and as a key trade corridor for farms and businesses throughout Oregon and the region.

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

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

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of this section for financial and other assistance to municipalities, ports and other persons and entities may not exceed the sum of [~~\$248.7 million~~] **\$266,226,252** and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening project may not exceed the sum of \$17.7 million and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs. [~~Lottery bonds issued pursuant to this section may be issued only at the request of the Director of the Economic and Community Development Department. The director~~] **The Oregon Department of Administrative Services** may not request the issuance of lottery bonds pursuant to subsection (1)(b) of this section until **the Director of the Economic and Community Development Department determines that** a final environmental impact statement has been issued and a record of decisions has been submitted to Congress by the United States Army Corps of Engineers, Congress has authorized the Columbia River channel deepening project, and the Washington sponsors' shares of the costs of the Columbia River channel deepening project have been committed.

(4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the State Treasury separate and distinct from the General Fund. All moneys in the Economic Infrastructure Project Fund are continuously appropriated to the Economic and Community Development Department for any purpose for which moneys in the Special Public Works Fund created by ORS 285B.455 may be used, any purpose for which moneys in the Water Fund created by ORS 285B.563 may be used, any purpose for which moneys in the Safe Drinking Water Revolving Loan Fund created by ORS 285A.213 may be used, any purpose for which moneys in the Oregon Port Revolving Fund created by ORS 285A.708 may be used, any purpose for which moneys in the Brownfields Redevelopment Fund created by ORS 285A.188 may be used, any purpose for which moneys in the Oregon Business Development Fund created by ORS 285B.092 may be used and any purpose for which moneys in the Marine Navigation Improvement Fund created by ORS 777.267 may be used. The Director of the Economic and Community Development Department shall allocate the moneys deposited in the Economic Infrastructure Project Fund for the purposes described in this subsection in accordance with the priorities developed by the Oregon Economic and Community Development Commission in accordance with ORS 285A.020. However, the director shall transfer from the Economic Infrastructure Project Fund and deposit into the Channel Deepening Account of the Marine Navigation Improvement Fund the proceeds of any lottery bonds sold to finance a portion of the costs of the Columbia River channel deepening project. Upon determining the relative allocation of moneys deposited in the Economic Infrastructure Project Fund among the purposes described in this subsection, the director shall transfer from the Economic Infrastructure Project Fund, and deposit into each of the other funds described in this subsection, the amounts so allocated. Notwithstanding any other provision of law governing the funds described in this subsection,

the funds described in this subsection may be credited with moneys transferred from the Economic Infrastructure Project Fund by the director in accordance with this subsection.

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

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

**SECTION 1a. If House Bill 2152 becomes law, section 1 of this 2009 Act (amending ORS 285B.551) is repealed and ORS 285B.551, as amended by section 115, chapter \_\_, Oregon Laws 2009 (Enrolled House Bill 2152), is amended to read:**

**285B.551. (1) Pursuant to ORS 286A.560 to 286A.585, [lottery bonds may be issued] at the request of the Oregon Department of Administrative Services, after the department consults with the Oregon Business Development Department, the State Treasurer is authorized to issue lottery bonds:**

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

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

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

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

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

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

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

(d) The current lower Columbia River estuary habitat for listed endangered or threatened species of Columbia River anadromous salmonids could be improved through ecosystem restoration

projects. The use of the Oregon State Lottery to pay debt service on lottery bonds issued under this section to pay for studying how the estuary could be improved and to pay for ecosystem restoration projects are authorized uses of state lottery funds.

(3)(a) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of this section for financial and other assistance to municipalities, ports and other persons and entities may not exceed the sum of [~~\$248.7 million~~] **\$266,226,252** and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening project may not exceed the sum of \$17.7 million and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

*[(b) Lottery bonds issued under this section may be issued only at the request of the Director of the Oregon Business Development Department.]*

*[(c)]* **(b)** The *[director]* **Oregon Department of Administrative Services** may not request the issuance of lottery bonds under subsection (1)(b) of this section until **the Director of the Oregon Business Development Department determines that** a final environmental impact statement has been issued and a record of decisions has been submitted to Congress by the United States Army Corps of Engineers, Congress has authorized the Columbia River channel deepening project, and the Washington sponsors' shares of the costs of the Columbia River channel deepening project have been committed.

(4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the State Treasury separate and distinct from the General Fund. Interest earned by the Economic Infrastructure Project Fund shall be credited to the fund. All moneys in the Economic Infrastructure Project Fund are continuously appropriated to the Oregon Business Development Department for any purpose for which moneys in the Special Public Works Fund created by ORS 285B.455 may be used, any purpose for which moneys in the Water Fund created by ORS 285B.563 may be used, any purpose for which moneys in the Safe Drinking Water Revolving Loan Fund created by ORS 285A.213 may be used, any purpose for which moneys in the Oregon Port Revolving Fund created by ORS 285A.708 may be used, any purpose for which moneys in the Brownfields Redevelopment Fund created by ORS 285A.188 may be used, any purpose for which moneys in the Oregon Business Development Fund created by ORS 285B.092 may be used and any purpose for which moneys in the Marine Navigation Improvement Fund created by ORS 777.267 may be used. The Director of the Oregon Business Development Department shall allocate the moneys deposited in the Economic Infrastructure Project Fund for the purposes described in this subsection in accordance with the priorities developed by the Oregon Business Development Commission in accordance with ORS 285A.020. However, the director shall transfer from the Economic Infrastructure Project Fund and deposit into the Channel Deepening Account of the Marine Navigation Improvement Fund the proceeds of any lottery bonds sold to finance a portion of the costs of the Columbia River channel deepening project. Upon determining the relative allocation of moneys deposited in the Economic Infrastructure Project Fund among the purposes described in this subsection, the director shall transfer from the Economic Infrastructure Project Fund, and deposit into each of the other funds described in this subsection, the amounts so allocated. Notwithstanding any other provision of law governing the funds described in this subsection, the funds described in this subsection may be credited with moneys transferred from the Economic Infrastructure Project Fund by the director in accordance with this subsection.

(5) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(c) of this section for the costs of studies and ecosystem restoration projects in the lower Columbia River estuary may not exceed the sum of \$750,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs. The net proceeds of lottery bonds issued pursuant to subsection (1)(c) of this section shall be deposited in the Oregon Business, Innovation and Trade Fund created by ORS 285A.227 and may be used only for the Oregon nonfederal share of United States Army Corps of Engineers Columbia River estuary projects authorized by Congress

prior to August 9, 2001. The director may not request the issuance of lottery bonds under subsection (1)(c) of this section until Congress and Washington have authorized their respective shares of the costs of the studies and ecosystem restoration projects in the lower Columbia River estuary.

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

**SECTION 2.** Section 2, chapter 788, Oregon Laws 2005, as amended by section 2, chapter 746, Oregon Laws 2007, and section 149, chapter 783, Oregon Laws 2007, is amended to read:

**Sec. 2.** (1) Pursuant to ORS [286.560 to 286.580, lottery bonds may be issued by the State Treasurer at the request of the Department of Higher Education for] **286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the Department of Higher Education, the State Treasurer is authorized to issue lottery bonds for capital construction, deferred maintenance and capital renewal, code compliance and safety projects.**

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

(a) **New buildings and facilities are needed in order that universities have adequate facilities for teaching.**

(b) **Having adequate university buildings and facilities is essential to Oregon's healthy economic growth.**

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

[(b)] (d) Having safe and fully functioning university facilities is essential to Oregon's healthy economic growth.

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section by the State Treasurer for:

(a) **Capital construction may not exceed the amount of \$9,554,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.**

(b) Deferred maintenance and capital renewal, code compliance and safety projects may not exceed the amount of [\$69.43 million] **\$82,231,000** and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286.560.

(4) Of the **\$22,355,000** of net proceeds of lottery bonds issued pursuant to this section for the biennium beginning July 1, [2007] **2009**, an amount not to exceed [\$50 million]:

(a) **\$14,247,000** shall be deposited in the Department of Higher Education **Capital Construction, Deferred Maintenance and Capital Repair Project Fund** established by section 3, chapter 788, Oregon Laws 2005.

(b) **\$1,522,000** shall be deposited in the **Eastern Oregon University Zabel Hall Deferred Maintenance Project Account** established by section 16, chapter \_\_, Oregon Laws 2009 (Enrolled Senate Bill 5506).

(c) **\$6,586,000** shall be deposited in the **Oregon State University Strand Agriculture Hall Deferred Maintenance Project Account** established by section 19, chapter \_\_, Oregon Laws 2009 (Enrolled Senate Bill 5506).

**SECTION 2a.** If House Bill 2208 becomes law, section 38, chapter \_\_, Oregon Laws 2009 (Enrolled House Bill 2208) (amending section 2, chapter 788, Oregon Laws 2005), is repealed and section 2, chapter 788, Oregon Laws 2005, as amended by section 2, chapter 746, Oregon Laws 2007, section 149, chapter 783, Oregon Laws 2007, and section 2 of this 2009 Act, is amended to read:

**Sec. 2.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the [Department of Higher Education] **Oregon University System**, the State Treasurer is authorized to issue lottery bonds for capital construction, deferred maintenance and capital renewal, code compliance and safety projects.

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

(a) New buildings and facilities are needed in order that universities have adequate facilities for teaching.

(b) Having adequate university buildings and facilities is essential to Oregon's healthy economic growth.

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

(d) Having safe and fully functioning university facilities is essential to Oregon's healthy economic growth.

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section by the State Treasurer for:

(a) Capital construction may not exceed the amount of \$9,554,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

(b) Deferred maintenance and capital renewal, code compliance and safety projects may not exceed the amount of \$82,231,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286.560.

(4) Of the \$22,355,000 of net proceeds of lottery bonds issued pursuant to this section for the biennium beginning July 1, 2009, an amount not to exceed:

(a) \$14,247,000 shall be deposited in the [Department of Higher Education] **Oregon University System** Capital Construction, Deferred Maintenance and Capital Repair Project Fund established by section 3, chapter 788, Oregon Laws 2005.

(b) \$1,522,000 shall be deposited in the Eastern Oregon University Zabel Hall Deferred Maintenance Project Account established by section 16, chapter \_\_\_, Oregon Laws 2009 (Enrolled Senate Bill 5506).

(c) \$6,586,000 shall be deposited in the Oregon State University Strand Agriculture Hall Deferred Maintenance Project Account established by section 19, chapter \_\_\_, Oregon Laws 2009 (Enrolled Senate Bill 5506).

**SECTION 2b.** If House Bill 2208 becomes law, section 39, chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208), is amended to read:

**Sec. 39.** (1) On the effective date of [this 2009 Act] **chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208)**, the unexpended balances of amounts received by the Department of Higher Education, the State Board of Higher Education or the Oregon University System, prior to the effective date of [this 2009 Act] **chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208)**, from the General Fund that are not designated by statute or otherwise as matching funds or for repayment of bonds issued under Article XI-G of the Oregon Constitution, are appropriated and transferred to the Oregon University System Fund established by section 3, **chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208)** [of this 2009 Act].

(2) On the effective date of [this 2009 Act] **chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208)**, the unexpended balances of amounts received by the Department of Higher Education, the State Board of Higher Education or the Oregon University System, from sources other than the General Fund and for purposes not otherwise designated by statute or federal law, are appropriated and transferred to the Oregon University System Fund established by section 3, **chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208)** [of this 2009 Act].

(3) On the effective date of [this 2009 Act] **chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208)**, the unexpended balances of amounts in the following accounts shall be transferred to the appropriate designated accounts within the Oregon University System Fund established by section 3, **chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208)**, [of this 2009 Act] as follows:

(a) The fund or account to which moneys are deposited under ORS 351.060, 351.210, 351.642, 351.840, 352.360, 352.510 or 352.650 shall be transferred to the appropriate account designated by ORS 351.060, 351.210, 351.642, 351.840, 352.360, 352.510 or 352.650.

(b) The Higher Education Student Loan Fund shall be transferred to the account designated by ORS 348.010.

(c) The Higher Education Invention Fund shall be transferred to the account designated by ORS 351.250.

(d) The Higher Education Bond Building Fund shall be transferred to the account designated by ORS 351.450.

(e) The Higher Education Bond Sinking Fund shall be transferred to the account designated by ORS 351.460.

(f) The Higher Education Isolation Facility Bond Sinking Fund shall be transferred to the account designated by ORS 351.545.

(g) The Higher Education Student Activities Fund shall be transferred to the account designated by ORS 351.590.

(h) The Higher Education Auxiliary Enterprise Building Repair and Equipment Replacement Fund shall be transferred to the account designated by ORS 351.615.

(i) The Department of Higher Education Capital Construction Fund shall be transferred to the account designated by ORS 351.626.

(j) The Higher Education Capital Construction Fund shall be transferred to the account designated by ORS 351.627.

(k) The Faculty Recruitment Fund shall be transferred to the account designated by ORS 351.638.

(L) The Oregon Engineering Education Investment Fund shall be transferred to the account designated by ORS 351.666.

(m) The Basic Research Fund shall be transferred to the account designated by ORS 351.875.

(n) The Oregon State University Fund shall be transferred to the account designated by ORS 352.560.

(o) The University Fund shall be transferred to the account designated by ORS 352.510.

*[(p) The Department of Higher Education Deferred Maintenance and Capital Repair Project Fund shall be transferred to the Oregon University System Fund.]*

**SECTION 2c.** If House Bill 2208 becomes law, section 98, chapter \_\_\_, Oregon Laws 2009 (Enrolled House Bill 2208), is amended to read:

**Sec. 98.** ORS 351.456, 351.513, 351.515, 351.523, 351.524, 351.526, 351.528, 351.529, 351.533, 351.534, 351.537, 351.540, 352.600 and 352.630 *[and section 3, chapter 788, Oregon Laws 2005, as amended by section 3, chapter 746, Oregon Laws 2007,]* are repealed.

**SECTION 3.** Section 3, chapter 788, Oregon Laws 2005, as amended by section 3, chapter 746, Oregon Laws 2007, is amended to read:

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

(2) Net proceeds of lottery bonds issued pursuant to section 2, chapter 788, Oregon Laws 2005, shall be deposited into the Department of Higher Education **Capital Construction**, Deferred Maintenance and Capital Repair Project Fund. Moneys in the fund are continuously appropriated to the Department of Higher Education for **capital construction**, deferred maintenance and capital repair projects.

**SECTION 3a.** If House Bill 2208 becomes law, section 3, chapter 788, Oregon Laws 2005, as amended by section 3, chapter 746, Oregon Laws 2007, and section 3 of this 2009 Act is amended to read:

**Sec. 3.** (1) The *[Department of Higher Education]* **Oregon University System** Capital Construction, Deferred Maintenance and Capital Repair Project Fund is established separate and distinct from the General Fund. Interest earned by the *[Department of Higher Education]* **Oregon University System** Capital Construction, Deferred Maintenance and Capital Repair Project Fund shall be credited to the fund.

(2) Net proceeds of lottery bonds issued pursuant to section 2, chapter 788, Oregon Laws 2005, shall be deposited into the *[Department of Higher Education]* **Oregon University System** Capital

Construction, Deferred Maintenance and Capital Repair Project Fund. Moneys in the fund are continuously appropriated to the [*Department of Higher Education*] **Oregon University System** for capital construction, deferred maintenance and capital repair projects.

**SECTION 4.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the Housing and Community Services Department, the State Treasurer is authorized to issue lottery bonds for the Housing and Community Services Department to provide financial assistance to aid in the acquisition, renovation or maintenance of section 8 housing or other housing with federal rent subsidies.

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

(a) Individuals who are at risk of homelessness or who otherwise pay a disproportionate share of income for housing increase their potential for self-sufficiency, and use proportionately fewer community-funded resources when they are provided a stable housing environment.

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

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section may not exceed the amount of \$16,301,718 plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

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

(2) Net proceeds of lottery bonds issued pursuant to section 4 of this 2009 Act shall be deposited into the Housing and Community Services Department Housing Preservation Fund. Moneys in the fund are continuously appropriated to the Housing and Community Services Department for providing financial assistance to aid in the acquisition, renovation or maintenance of section 8 housing or other housing with federal rent subsidies.

(3) The Housing and Community Services Department Housing Preservation Fund may include moneys transferred into the fund as provided in section 7 of this 2009 Act.

**SECTION 6.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the Housing and Community Services Department, the State Treasurer is authorized to issue lottery bonds for the Housing and Community Services Department to provide assistance to community organizations or tenant groups in acquiring manufactured dwelling parks.

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

(a) Park ownership by tenant groups or community organizations has been shown to provide greater opportunity for appreciation in value of manufactured dwellings, stable communities and maintaining a supply of affordable housing.

(b) Having stable communities with an adequate supply of affordable housing is essential to Oregon's healthy economic growth.

(3) The aggregate principle amount of lottery bonds issued pursuant to subsection (1) of this section may not exceed the amount of \$3,098,616 plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

**SECTION 7.** (1) The Housing and Community Services Department Manufactured Dwelling Parks Preservation Fund is established separate and distinct from the General Fund. Interest earned by the Housing and Community Services Department Manufactured Dwelling Parks Preservation Fund shall be credited to the fund.

(2) Net proceeds of lottery bonds issued pursuant to section 6 of this 2009 Act shall be deposited into the Housing and Community Services Department Manufactured Dwelling Parks Preservation Fund. Moneys in the fund are continuously appropriated to the Housing

and Community Services Department to provide assistance to community organizations or tenant groups in acquiring manufactured dwelling parks.

(3) If the Director of the Housing and Community Services Department determines that there is insufficient demand for assistance to community organizations or tenant groups in acquiring manufactured dwelling parks, the director may authorize a portion of the moneys deposited in the fund to be transferred into the Housing and Community Services Department Housing Preservation Fund established by section 5 of this 2009 Act.

**SECTION 8.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the Water Resources Department, the State Treasurer is authorized to issue lottery bonds for the Water Resources Department to:

(a) Provide grants for the qualifying costs of planning studies performed to evaluate the feasibility of developing a water conservation, reuse or storage project;

(b) Develop an integrated state water resources strategy; and

(c) Administer loans and grants for water development projects.

(2) The Legislative Assembly finds that:

(a) The optimum utilization of Oregon water resources is necessary to meet the water needs of agriculture, industries, recreation and developing municipalities.

(b) The adoption of an integrated state water resources strategy will help to ensure Oregon's economic health, including the preservation of existing jobs and the development of new business enterprises, by furthering the optimum utilization of Oregon's water resources.

(c) The potential for economic development and the potential for job growth of Oregon can be maximized by coordinated utilization and control of water resources for multiple purposes.

(d) The factors described in paragraphs (a) to (c) of this subsection will encourage and promote economic development throughout Oregon, and issuance of lottery bonds for the purpose described in subsection (1) of this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section may not exceed the amount of \$1,000,000 plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

**SECTION 9.** (1) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, after the department consults with the Water Resources Commission, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in the principal amount of \$2,500,000 par value plus an additional amount to be estimated by the State Treasurer for payment of bond-related costs incurred by the department, the commission and the State Treasurer.

(2) Net proceeds from bonds issued under this section shall be deposited into the Water Resources Department Water Supply Fund in an amount sufficient to provide \$2,500,000 in net proceeds and interest earnings for the purposes of issuing grants to develop Umatilla Basin critical ground water storage projects described in section 17, chapter \_\_, Oregon Laws 2009 (Enrolled House Bill 3369), and to provide or pay for services in connection with those projects.

(3) The use of lottery bonds for the purposes described in this section is justified by the following findings:

(a) The creation of a critical ground water storage project in the Umatilla Basin will develop future water supplies that are critical to agriculture and maintaining the economy of Oregon and to the restoration of watersheds, critical fish and wildlife habitat and preserving the ecological condition of water habitats in a manner that benefits recreational industries, industries related to fish and wildlife and other industries; and

(b) The creation of a critical ground water storage project in the Umatilla Basin will reduce the negative effect of existing and future water shortages on the agricultural, fishing and recreational industries.

**SECTION 10.** (1) The Water Resources Department Water Supply Fund is established separate and distinct from the General Fund. Interest earned by the Water Resources Department Water Supply Fund shall be credited to the fund.

(2) Net proceeds of lottery bonds issued pursuant to sections 8 and 9 of this 2009 Act shall be deposited into the Water Resources Department Water Supply Fund. Moneys in the fund are continuously appropriated as follows:

(a) \$2,500,000 for the purposes of issuing grants to develop Umatilla Basin critical ground water storage projects described in section 17, chapter \_\_, Oregon Laws 2009 (Enrolled House Bill 3369), and to provide or pay for services in connection with those projects.

(b) \$217,000 to pay for the operation of loan and grant programs under sections 18 to 27, chapter \_\_, Oregon Laws 2009 (Enrolled House Bill 3369).

(c) \$283,000 for the purpose of developing an integrated state water resources strategy to implement the state water resources policy pursuant to ORS 536.220 and section 45, chapter \_\_, Oregon Laws 2009 (Enrolled House Bill 3369).

(d) \$500,000 for purposes of the grant program established by section 1, chapter 13, Oregon Laws 2008.

**SECTION 11.** Section 14, chapter 2, Oregon Laws 2009 (Enrolled Senate Bill 338), is amended to read:

**Sec. 14.** (1) Pursuant to ORS 286A.560 to 286A.585, [*lottery bonds may be issued by the State Treasurer at the request of the Department of Community Colleges and Workforce Development*] **at the request of the Oregon Department of Administrative Services, after the department consults with the Department of Community Colleges and Workforce Development, the State Treasurer is authorized to issue lottery bonds for community college capital construction, deferred maintenance, capital renewal, code compliance and safety projects.**

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

(a) **New buildings and facilities are needed in order that community colleges have adequate facilities for teaching.**

(b) **Having adequate community college buildings and facilities is essential to Oregon's healthy economic growth.**

[*a*] (c) Subsystems within community college buildings are wearing out and must be replaced so that community colleges have adequate facilities for teaching.

[*b*] (d) Having safe and fully functioning community college facilities is essential to Oregon's healthy economic growth.

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section [*by the State Treasurer*] for:

(a) **Capital construction may not exceed the amount of \$8,600,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.**

(b) Deferred maintenance, capital renewal, code compliance and safety projects may not exceed the amount of [*\$43,862,850*] **\$48,962,850** and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

(4) Of the net proceeds of lottery bonds issued pursuant to this section for the biennium beginning July 1, [*2007*] **2009**, an amount not to exceed **\$13,700,000** shall be deposited in the Department of Community Colleges and Workforce Development **Capital Construction, Deferred Maintenance and Capital Repair Project Fund** established by section 15 [*of this 2009 Act*], **chapter 2, Oregon Laws 2009 (Enrolled Senate Bill 338).**

**SECTION 12.** Section 15, chapter 2, Oregon Laws 2009 (Enrolled Senate Bill 338), is amended to read:

**Sec. 15.** (1) The Department of Community Colleges and Workforce Development **Capital Construction**, Deferred Maintenance and Capital Repair Project Fund is established separate and distinct from the General Fund. Interest earned by the Department of Community Colleges and Workforce Development **Capital Construction**, Deferred Maintenance and Capital Repair Project Fund shall be credited to the fund.

(2) Net proceeds of lottery bonds issued pursuant to section 14 [of this 2009 Act], **chapter 2, Oregon Laws, 2009 (Enrolled Senate Bill 338)**, shall be deposited into the Department of Community Colleges and Workforce Development **Capital Construction**, Deferred Maintenance and Capital Repair Project Fund. Moneys in the fund are continuously appropriated to the Department of Community Colleges and Workforce Development for the purpose of making grants to community college districts for **capital construction**, deferred maintenance, capital renewal, code compliance and safety projects.

**SECTION 13.** (1) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, after the department consults with the State Board of Forestry, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$15,000,000 for the purpose described in subsection (2) of this section, plus an additional amount, to be estimated by the State Treasurer, for the payment of bond-related costs.

(2) Notwithstanding ORS 526.060, the net proceeds of lottery bonds issued pursuant to this section shall be deposited in the State Forest Acquisition Fund established under section 14 of this 2009 Act for the purpose of acquiring parcels in the Gilchrist area of Klamath County for use as state forestland.

(3) The Legislative Assembly finds that:

(a) The Gilchrist area of Klamath County is an economically stressed region;

(b) State acquisition of parcels located in the Gilchrist area of Klamath County for management as state forestland would produce economic benefits for the area, including but not limited to income from the harvest of forest products and direct employment and economic benefit from processing harvested forest products;

(c) State acquisition of parcels in the Gilchrist area of Klamath County and management of those parcels as state forestland will result in increased employment in the tourism industry and other industries related to the development of recreational attractions on the parcels;

(d) There exists a substantial risk that failure to acquire certain parcels in the Gilchrist area of Klamath County for use as state forestland will result in the parcels being converted to nonforest use, resulting in the loss of existing forest industry jobs and existing jobs in related industries in the area; and

(e) The use of lottery bond proceeds as provided in this section will encourage and promote economic development within Oregon, and issuance of lottery bonds for the purpose described in this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

**SECTION 14.** The State Forest Acquisition Fund is established in the State Treasury, separate and distinct from the General Fund. The State Forest Acquisition Fund shall consist of moneys deposited in the fund under section 13 of this 2009 Act. The moneys in the State Forest Acquisition Fund and the interest earnings on moneys in the fund are continuously appropriated to the State Board of Forestry for the purpose of acquiring parcels in the Gilchrist area of Klamath County for use as state forestland.

**SECTION 15.** (1) The Forest Acquisition County Reimbursement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Forest Acquisition County Reimbursement Fund shall be credited to the fund. Moneys in the Forest Acquisition County Reimbursement Fund are continuously appropriated to the State Forestry Department for use as provided in this section.

(2) The fund shall consist of moneys deposited in the fund pursuant to ORS 530.110 (3).

(3) If the department uses proceeds from bonds issued on or after the effective date of this 2009 Act under ORS 530.140 or 530.210 to 530.280, or from lottery bonds that were issued on or after the effective date of this 2009 Act, to acquire land that, immediately prior to acquisition by the department, was subject to taxation by a county, the department shall make payments as provided in this section to reimburse the county for the loss of tax revenue from the acquired land. The amount paid to a county under this section shall be the amount by which the tax revenue to the county for the last year in which the acquired land was taxable exceeds the total amount distributed to the counties under ORS 530.110 (1)(b) and (2)(c) from revenue generated by that land. However, if in any year the total amount distributed under ORS 530.110 (1)(b) and (2)(c) from revenue generated by the acquired land equals or exceeds the tax revenue to the county for the last year in which the acquired land was taxable, payments under this section in regard to that land shall terminate and not resume.

**SECTION 16.** (1) The Legislative Assembly finds that:

(a) Oregon International Port of Coos Bay is a large deep water port, the home of the only commercial airport on the Oregon coast and a trade and commercial center of Oregon's south coast.

(b) The purchase of rail cars and the repair, restoration and improvement of railways is a key link that will:

(A) Improve the transportation links between the port and the rest of Oregon.

(B) Enhance the capacity of the port as a gateway for international trade.

(C) Expand economic opportunities in the region.

(c) The factors described in paragraphs (a) and (b) of this subsection will encourage and promote economic development along the south coast and throughout Oregon, and issuance of lottery bonds for the purpose described in subsection (3) of this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(2) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$3,552,399 for the purpose described in subsection (3) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(3) Net proceeds of bonds issued pursuant to this section shall be deposited in the Oregon International Port of Coos Bay Railway Acquisition Fund to finance the purchase of rail cars and the repair, restoration and improvement of railways.

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

**SECTION 17.** The Oregon International Port of Coos Bay Railway Acquisition Fund is established in the State Treasury, separate and distinct from the General Fund. The Oregon International Port of Coos Bay Railway Acquisition Fund shall consist of moneys deposited in the fund under section 16 of this 2009 Act. The moneys in the Oregon International Port of Coos Bay Railway Acquisition Fund and the interest earnings on moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for transfer to the Oregon International Port of Coos Bay for the purchase of rail cars and the repair, restoration and improvement of railways.

**SECTION 18.** (1) The Legislative Assembly finds that:

(a) The Pendleton Round-Up, which began in 1910, is one of the oldest, largest and most prestigious rodeos in the world.

(b) The Pendleton Round-Up, well attended from its inception, serves as the anchor event in a week of activities that attracts visitors from around the country and the world to Pendleton.

(c) Construction, maintenance and restoration of the Pendleton Round-Up's grandstands and infrastructure are essential to the ability of the rodeo to continue to grow in its stature as a world-class event.

(d) The factors described in paragraphs (a) to (c) of this subsection will encourage and promote economic development by serving the needs of visitors to eastern Oregon, and issuance of lottery bonds for the purpose described in subsection (3) of this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(2) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$1,000,000 for the purpose described in subsection (3) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(3) Net proceeds of bonds issued pursuant to this section shall be deposited in the Pendleton Round-Up Infrastructure Fund to finance the construction, maintenance and restoration of grandstands and infrastructure of the Pendleton Round-Up.

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

**SECTION 19.** The Pendleton Round-Up Infrastructure Fund is established in the State Treasury, separate and distinct from the General Fund. The Pendleton Round-Up Infrastructure Fund shall consist of moneys deposited in the fund under section 18 of this 2009 Act. The moneys in the Pendleton Round-Up Infrastructure Fund and the interest earned by the fund are continuously appropriated to the Oregon Department of Administrative Services for transfer to the Pendleton Round-Up Foundation for the construction, maintenance and restoration of grandstands and infrastructure of the Pendleton Round-Up.

**SECTION 20.** (1) The Legislative Assembly finds that:

(a) The Port of Morrow is strategically connected to the world through Columbia River barges, railroads and interstate highways and serves industry with state-of-the-art utilities, communications infrastructure and modern docks.

(b) Development and construction of an education center will enhance the services the port can provide to attract new development and meet the needs of existing industrial and commercial users.

(c) The factors described in paragraphs (a) and (b) of this subsection will encourage and promote economic development by serving the needs of visitors to eastern Oregon, and issuance of lottery bonds for the purpose described in subsection (3) of this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(2) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$2,000,000 for the purpose described in subsection (3) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(3) Net proceeds of bonds issued pursuant to this section shall be deposited in the Port of Morrow Education Center Fund to finance the development and construction of an education center.

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

**SECTION 21.** The Port of Morrow Education Center Fund is established in the State Treasury, separate and distinct from the General Fund. The Port of Morrow Education Center Fund shall consist of moneys deposited in the fund under section 20 of this 2009 Act.

The moneys in the Port of Morrow Education Center Fund and the interest earnings on moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for the development and construction of a Port of Morrow education center.

**SECTION 22.** (1) The Legislative Assembly finds that:

(a) The Port of Newport is a major business and economic hub on the central Oregon coast.

(b) Urban renewal projects including public rights of way, utility infrastructure, public amenities and acquisition and development of strategic sites can support the port's effort to serve as the home port of the National Oceanic and Atmospheric Administration's Marine Operations Center and Pacific-based research vessels.

(c) The factors described in paragraphs (a) and (b) of this subsection will encourage and promote economic development and capitalize on the synergies provided by compatible development at or near the port and the issuance of lottery bonds for the purpose described in subsection (3) of this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(2) If the Director of the Oregon Department of Administrative Services determines that the Port of Newport is selected as the home port of the National Oceanic and Atmospheric Administration's Marine Operations Center and Pacific-based research vessels, for the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$19,500,000 for the purpose described in subsection (3) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(3) Net proceeds of bonds issued pursuant to this section shall be transferred to the Port of Newport NOAA Home Port Fund to finance urban renewal projects, including public rights of way, utility infrastructure, public amenities and acquisition and development of strategic sites, to support the port's effort to serve as the home port of the National Oceanic and Atmospheric Administration's Marine Operations Center and Pacific-based research vessels.

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

**SECTION 23.** The Port of Newport NOAA Home Port Fund is established in the State Treasury, separate and distinct from the General Fund. The Port of Newport NOAA Home Port Fund shall consist of moneys deposited in the fund under section 22 of this 2009 Act. The moneys in the Port of Newport NOAA Home Port Fund and the interest earnings on moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for transfer to the Port of Newport for urban renewal projects, including public rights-of-way, utility infrastructure, public amenities and acquisition and development of strategic sites, to support the port's effort to serve as the home port of the National Oceanic and Atmospheric Administration's Marine Operations Center and Pacific-based research vessels.

**SECTION 24.** (1) The Legislative Assembly finds that:

(a) The Oregon judicial system is an essential component of the public safety system that fosters an orderly and stable environment in which business can develop and thrive.

(b) Construction and maintenance of court facilities is necessary so that the judicial system can continue to function effectively.

(c) The factors described in paragraphs (a) and (b) of this subsection will create construction jobs and encourage and promote economic development through the maintenance of an orderly and stable business environment, and the issuance of lottery bonds for the purpose described in subsection (3) of this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(2) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, after consultation with the Judicial Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$11,271,656 for the purpose described in subsection (3) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(3) Net proceeds of bonds issued pursuant to this section shall be deposited in the Oregon Judicial Facilities Fund to finance construction and maintenance of court facilities.

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

**SECTION 25.** The Oregon Judicial Facilities Fund is established in the State Treasury, separate and distinct from the General Fund. The Oregon Judicial Facilities Fund shall consist of moneys deposited in the fund under section 24 of this 2009 Act. The moneys in the Oregon Judicial Facilities Fund and the interest earnings on moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for disbursement to Oregon counties to finance construction and maintenance of court facilities.

**SECTION 26.** (1) The Legislative Assembly finds that:

(a) Severe winter storms in December 2008 damaged public facilities and property owned by private nonprofit organizations, such as roads, bridges, utilities, buildings, schools, recreational areas and other property in Tillamook County.

(b) The Federal Emergency Management Agency has designated Tillamook County as eligible to receive matching funds to pay for part of the cost of repairing or replacing the damaged facilities and property and removing debris from public areas.

(c) Repairing or replacing the damaged facilities and property is essential to the economic growth and vitality of Tillamook County.

(d) The factors described in paragraphs (a) to (c) of this subsection will create construction jobs and encourage and promote economic development through the maintenance of an orderly and stable business environment, and the issuance of lottery bonds for the purpose described in subsection (3) of this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(2) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$7,800,000 for the purpose described in subsection (3) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(3) Net proceeds of bonds issued pursuant to this section shall be deposited in the Tillamook FEMA Match Fund to finance the 25 percent local match for Federal Emergency Management Agency funds available for repairing or replacing damaged public facilities such as roads, bridges, utilities, buildings, schools, recreational areas and similar publicly owned property, as well as certain private nonprofit organizations engaged in community service activities, for removing debris from public areas and for emergency measures taken to save lives and protect property and public health.

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

**SECTION 27.** The Tillamook FEMA Match Fund is established in the State Treasury, separate and distinct from the General Fund. The Tillamook FEMA Match Fund shall consist of moneys deposited in the fund under section 26 of this 2009 Act. The moneys in the Tillamook FEMA Match Fund and the interest earned by the fund are continuously appropriated to the Oregon Department of Administrative Services for transfer to the Port of Tillamook Bay to finance the 25 percent local match for Federal Emergency Management

Agency funds available for repairing or replacing damaged public facilities such as roads, bridges, utilities, buildings, schools, recreational areas and similar publicly owned property, as well as certain private nonprofit organizations engaged in community service activities, for removing debris from public areas and for emergency measures taken to save lives and protect property and public health.

**SECTION 28.** (1) As used in this section and section 29 of this 2009 Act, "West Eugene EmX Extension" means the acquisition, construction and procurement of the components of an extension of the bus rapid transit system in west Eugene by the Lane Transit District.

(2) The Legislative Assembly finds that:

(a) 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.

(b) 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.

(c) The factors described in paragraphs (a) and (b) of this subsection will encourage and promote economic development within the State of Oregon, and issuance of lottery bonds to finance the West Eugene EmX Extension is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(3) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585, in an amount not to exceed net proceeds of \$1,600,000 for the purpose described in subsection (4) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(4) Net proceeds of bonds issued pursuant to this section shall be deposited in the West Eugene EmX Extension Fund established in section 29 of this 2009 Act sufficient to provide \$1,600,000 in net proceeds and interest earnings for disbursement to the Lane Transit District to establish the West Eugene EmX Extension.

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

**SECTION 29.** 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 West Eugene EmX Extension Fund consists of moneys deposited in the fund under section 28 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:

(1) Disbursement to the Lane Transit District to pay \$1,600,000 of the costs incurred to establish the West Eugene EmX Extension.

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

**SECTION 30.** If House Bill 2626 becomes law:

(1) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, after the department consults with the State Department of Energy, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$5,000,000 for the purpose described in subsection (3) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(2) The Legislative Assembly finds that:

(a) The creation of an energy efficiency and sustainable technology loan program will increase demand for energy-conserving improvements to buildings, resulting in the creation and preservation of jobs in construction and building materials industries.

(b) The program described in paragraph (a) of this subsection will encourage and promote economic development within Oregon, and the issuance of lottery bonds to finance the program is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

(3) The amount of \$5,000,000 must be deposited in the Loan Offset Grant Fund established by section 16, chapter \_\_\_\_\_, Oregon Laws 2009 (Enrolled House Bill 2626).

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

**SECTION 31.** This 2009 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect July 1, 2009.

Passed by Senate June 26, 2009

Received by Governor:

Repassed by Senate June 29, 2009

.....M.,....., 2009

Approved:

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Secretary of Senate

.....M.,....., 2009

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President of Senate

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Governor

Passed by House June 29, 2009

Filed in Office of Secretary of State:

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Speaker of House

.....M.,....., 2009

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Secretary of State