

A-Engrossed
Senate Bill 5535

Ordered by the Senate June 26
Including Senate Amendments dated June 26

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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.

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] **Authorizes issuance of lottery bonds for Department of Higher Education for capital construction, deferred maintenance and capital renewal, code compliance and safety projects.**

Authorizes issuance of lottery bonds for Housing and Community Services Department to provide financial assistance to aid in acquisition, renovation or maintenance of section 8 **housing** or other housing with federal rent subsidies.

Establishes Housing and Community Services Department Preservation Housing Fund. Appropriates moneys from fund to provide financial assistance to aid in acquisition, renovation or maintenance of section 8 **housing** or other housing with federal rent subsidies.

Authorizes issuance of lottery bonds for Housing and Community Services Department to provide assistance to community organizations or tenant groups in acquiring manufactured dwelling parks.

Establishes Housing and Community Services Department Manufactured Dwelling Parks Preservation Fund. Appropriates moneys from fund to provide assistance to community organizations or tenant groups in acquiring manufactured dwelling parks.

Authorizes issuance of lottery bonds for Water Resources Department to provide grants for *[improvements to drinking water systems, irrigation, drainage, fish protection or watershed enhancement]* **water conservation, reuse or storage projects, to develop integrated state water resources strategy, to administer loans and grants and to issue grants to develop Umatilla Basin critical ground water storage projects. Authorizes issuance of lottery bonds for other various purposes.**

Establishes Water Resources Department Water Supply Fund. Appropriates moneys from fund to provide grants for *[improvements to drinking water systems, irrigation, drainage, fish protection or watershed enhancement]* **water conservation, reuse or storage projects, to develop integrated state water resources strategy, to administer loans and grants and to issue grants to develop Umatilla Basin critical ground water storage projects.**

Establishes State Forest Acquisition Fund. Appropriates moneys from fund for acquisition of Gilchrist area of Klamath County.

Establishes Forest Acquisition County Reimbursement Fund. Appropriates moneys from fund for reimbursement of county for loss of tax revenues from acquired land.

Establishes Oregon International Port of Coos Bay Railway Acquisition Fund. Appropriates moneys from fund for purchase of rail cars and repair, restore or improve railways.

Establishes Pendleton Round-up Infrastructure Fund. Appropriates moneys from fund for construction, maintenance and restoration of grandstands and infrastructure.

Establishes Port of Morrow Education Center Fund. Appropriates moneys from fund for development and construction of education center.

Establishes Port of Newport NOAA Home Port Fund. Appropriates moneys from fund for urban renewal projects related to service as home port for National Oceanic and Atmospheric Administration's Marine Operations Center and Pacific-based research vessels.

Establishes Oregon Judicial Facilities Fund. Appropriates moneys from fund for construction and maintenance of court facilities.

Establishes Tillamook FEMA Match Fund. Appropriates moneys from fund for local match of Federal Emergency Management Agency funds.

Establishes West Eugene EmX Extension Fund. Appropriates moneys from fund for establishment of West Eugene EmX Extension.

Declares emergency, effective July 1, 2009.

Note: For budget, see 2009-2011 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.

A BILL FOR AN ACT

1
2
3 Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and sections 2 and 3,
4 chapter 788, Oregon Laws 2005, and sections 14 and 15, chapter 2, Oregon Laws 2009 (Enrolled
5 Senate Bill 338); appropriating money; and declaring an emergency.

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

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

8 285B.551. (1) Pursuant to ORS 286A.560 to 286A.585, [*lottery bonds may be issued*] **at the re-**
9 **quest of the Oregon Department of Administrative Services, after the department consults**
10 **with the Economic and Community Development Department, the State Treasurer is au-**
11 **thorized to issue lottery bonds:**

12 (a) To provide financial and other assistance, including but not limited to loans and grants, to
13 municipalities, ports and other persons and entities in accordance with the laws governing use of
14 moneys in the Special Public Works Fund created by ORS 285B.455, the Water Fund created by ORS
15 285B.563, the Safe Drinking Water Revolving Loan Fund created by ORS 285A.213, the Oregon Port
16 Revolving Fund created by ORS 285A.708, the Brownfields Redevelopment Fund created by ORS
17 285A.188, the Oregon Business Development Fund created by ORS 285B.092 and the Marine Navi-
18 gation Improvement Fund created by ORS 777.267.

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

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

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

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

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

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

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

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

14 (4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section
15 shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the
16 State Treasury separate and distinct from the General Fund. All moneys in the Economic
17 Infrastructure Project Fund are continuously appropriated to the Economic and Community Devel-
18 opment Department for any purpose for which moneys in the Special Public Works Fund created by
19 ORS 285B.455 may be used, any purpose for which moneys in the Water Fund created by ORS
20 285B.563 may be used, any purpose for which moneys in the Safe Drinking Water Revolving Loan
21 Fund created by ORS 285A.213 may be used, any purpose for which moneys in the Oregon Port
22 Revolving Fund created by ORS 285A.708 may be used, any purpose for which moneys in the
23 Brownfields Redevelopment Fund created by ORS 285A.188 may be used, any purpose for which
24 moneys in the Oregon Business Development Fund created by ORS 285B.092 may be used and any
25 purpose for which moneys in the Marine Navigation Improvement Fund created by ORS 777.267 may
26 be used. The Director of the Economic and Community Development Department shall allocate the
27 moneys deposited in the Economic Infrastructure Project Fund for the purposes described in this
28 subsection in accordance with the priorities developed by the Oregon Economic and Community
29 Development Commission in accordance with ORS 285A.020. However, the director shall transfer
30 from the Economic Infrastructure Project Fund and deposit into the Channel Deepening Account of
31 the Marine Navigation Improvement Fund the proceeds of any lottery bonds sold to finance a por-
32 tion of the costs of the Columbia River channel deepening project. Upon determining the relative
33 allocation of moneys deposited in the Economic Infrastructure Project Fund among the purposes
34 described in this subsection, the director shall transfer from the Economic Infrastructure Project
35 Fund, and deposit into each of the other funds described in this subsection, the amounts so allocated.
36 Notwithstanding any other provision of law governing the funds described in this subsection, the
37 funds described in this subsection may be credited with moneys transferred from the Economic
38 Infrastructure Project Fund by the director in accordance with this subsection.

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

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

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

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

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

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

15 (a) **New buildings and facilities are needed in order that universities have adequate fa-**
16 **cilities for teaching.**

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

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

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

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

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

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

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

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

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

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

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

44 **Sec. 3.** (1) The Department of Higher Education **Capital Construction, Deferred Maintenance**
45 **and Capital Repair Project Fund** is established separate and distinct from the General Fund. In-

1 terest earned by the Department of Higher Education **Capital Construction**, Deferred Maintenance
2 and Capital Repair Project Fund shall be credited to the fund.

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

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

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

15 (a) Individuals who are at risk of homelessness or who otherwise pay a disproportionate
16 share of income for housing increase their potential for self-sufficiency, and use proportion-
17 ately fewer community-funded resources when they are provided a stable housing environ-
18 ment.

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

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

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

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

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

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

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

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

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

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

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

8 (2) Net proceeds of lottery bonds issued pursuant to section 6 of this 2009 Act shall be
9 deposited into the Housing and Community Services Department Manufactured Dwelling
10 Parks Preservation Fund. Moneys in the fund are continuously appropriated to the Housing
11 and Community Services Department to provide assistance to community organizations or
12 tenant groups in acquiring manufactured dwelling parks.

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

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

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

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

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

26 (2) The Legislative Assembly finds that:

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

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

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

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

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

43 **SECTION 9.** (1) For the biennium beginning July 1, 2009, at the request of the Oregon
44 Department of Administrative Services, after the department consults with the Water Re-
45 sources Commission, the State Treasurer is authorized to issue lottery bonds pursuant to

1 **ORS 286A.560 to 286A.585 in the principal amount of \$2,500,000 par value plus an additional**
2 **amount to be estimated by the State Treasurer for payment of bond-related costs incurred**
3 **by the department, the commission and the State Treasurer.**

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

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

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

17 (b) **The creation of a critical ground water storage project in the Umatilla Basin will re-**
18 **duce the negative effect of existing and future water shortages on the agricultural, fishing**
19 **and recreational industries.**

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

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

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

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

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

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

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

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

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

45 (a) **New buildings and facilities are needed in order that community colleges have ade-**

1 **quate facilities for teaching.**

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

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

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

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

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

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

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

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

23 **Sec. 15.** (1) The Department of Community Colleges and Workforce Development **Capital Con-**
24 **struction**, Deferred Maintenance and Capital Repair Project Fund is established separate and dis-
25 tinct from the General Fund. Interest earned by the Department of Community Colleges and
26 Workforce Development **Capital Construction**, Deferred Maintenance and Capital Repair Project
27 Fund shall be credited to the fund.

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

35 **SECTION 13.** (1) **For the biennium beginning July 1, 2009, at the request of the Oregon**
36 **Department of Administrative Services, after the department consults with the State Board**
37 **of Forestry, the State Treasurer is authorized to issue lottery bonds pursuant to ORS**
38 **286A.560 to 286A.585 in an amount not to exceed net proceeds of \$15,000,000 for the purpose**
39 **described in subsection (2) of this section, plus an additional amount, to be estimated by the**
40 **State Treasurer, for the payment of bond-related costs.**

41 **(2) Notwithstanding ORS 526.060, the net proceeds of lottery bonds issued pursuant to**
42 **this section shall be deposited in the State Forest Acquisition Fund established under section**
43 **14 of this 2009 Act for the purpose of acquiring parcels in the Gilchrist area of Klamath**
44 **County for use as state forestland.**

45 **(3) The Legislative Assembly finds that:**

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

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

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

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

14 (e) The use of lottery bond proceeds as provided in this section will encourage and pro-
15 mote economic development within Oregon, and issuance of lottery bonds for the purpose
16 described in this section is therefore an appropriate use of state lottery funds under section
17 4, Article XV of the Oregon Constitution, and ORS 461.510.

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

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

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

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

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

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

1 south coast.

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

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

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

6 (C) Expand economic opportunities in the region.

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

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

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

20 (4) Bond-related costs for the lottery bonds authorized by this section must be paid from
21 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
22 286A.576 (1)(c).

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

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

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

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

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

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

45 (2) For the biennium beginning July 1, 2009, at the request of the Oregon Department of

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

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

8 (4) Bond-related costs for the lottery bonds authorized by this section must be paid from
9 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
10 286A.576 (1)(c).

11 **SECTION 19.** The Pendleton Round-Up Infrastructure Fund is established in the State
12 Treasury, separate and distinct from the General Fund. The Pendleton Round-Up
13 Infrastructure Fund shall consist of moneys deposited in the fund under section 18 of this
14 2009 Act. The moneys in the Pendleton Round-Up Infrastructure Fund and the interest
15 earned by the fund are continuously appropriated to the Oregon Department of Administra-
16 tive Services for transfer to the Pendleton Round-Up Foundation for the construction,
17 maintenance and restoration of grandstands and infrastructure of the Pendleton Round-Up.

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

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

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

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

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

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

38 (4) Bond-related costs for the lottery bonds authorized by this section must be paid from
39 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
40 286A.576 (1)(c).

41 **SECTION 21.** The Port of Morrow Education Center Fund is established in the State
42 Treasury, separate and distinct from the General Fund. The Port of Morrow Education
43 Center Fund shall consist of moneys deposited in the fund under section 20 of this 2009 Act.
44 The moneys in the Port of Morrow Education Center Fund and the interest earnings on
45 moneys in the fund are continuously appropriated to the Oregon Department of Adminis-

1 **trative Services for the development and construction of a Port of Morrow education center.**

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

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

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

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

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

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

27 **(4) Bond-related costs for the lottery bonds authorized by this section must be paid from**
28 **the gross proceeds of the lottery bonds and from allocations for the purposes of ORS**
29 **286A.576 (1)(c).**

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

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

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

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

45 **(c) The factors described in paragraphs (a) and (b) of this subsection will create con-**

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

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

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

13 (4) Bond-related costs for the lottery bonds authorized by this section must be paid from
14 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
15 286A.576 (1)(c).

16 SECTION 25. The Oregon Judicial Facilities Fund is established in the State Treasury,
17 separate and distinct from the General Fund. The Oregon Judicial Facilities Fund shall con-
18 sist of moneys deposited in the fund under section 24 of this 2009 Act. The moneys in the
19 Oregon Judicial Facilities Fund and the interest earnings on moneys in the fund are contin-
20 uously appropriated to the Oregon Department of Administrative Services for disbursement
21 to Oregon counties to finance construction and maintenance of court facilities.

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

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

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

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

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

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

41 (3) Net proceeds of bonds issued pursuant to this section shall be deposited in the
42 Tillamook FEMA Match Fund to finance the 25 percent local match for Federal Emergency
43 Management Agency funds available for repairing or replacing damaged public facilities such
44 as roads, bridges, utilities, buildings, schools, recreational areas and similar publicly owned
45 property, as well as certain private nonprofit organizations engaged in community service

1 activities, for removing debris from public areas and for emergency measures taken to save
2 lives and protect property and public health.

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

6 **SECTION 27.** The Tillamook FEMA Match Fund is established in the State Treasury,
7 separate and distinct from the General Fund. The Tillamook FEMA Match Fund shall con-
8 sist of moneys deposited in the fund under section 26 of this 2009 Act. The moneys in the
9 Tillamook FEMA Match Fund and the interest earned by the fund are continuously appro-
10 priated to the Oregon Department of Administrative Services for transfer to the Port of
11 Tillamook Bay to finance the 25 percent local match for Federal Emergency Management
12 Agency funds available for repairing or replacing damaged public facilities such as roads,
13 bridges, utilities, buildings, schools, recreational areas and similar publicly owned property,
14 as well as certain private nonprofit organizations engaged in community service activities,
15 for removing debris from public areas and for emergency measures taken to save lives and
16 protect property and public health.

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

20 (2) The Legislative Assembly finds that:

21 (a) Establishment of the West Eugene EmX Extension will:

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

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

26 (C) Create jobs in the construction industry.

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

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

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

38 (4) Net proceeds of bonds issued pursuant to this section shall be deposited in the West
39 Eugene EmX Extension Fund established in section 29 of this 2009 Act sufficient to provide
40 \$1,600,000 in net proceeds and interest earnings for disbursement to the Lane Transit District
41 to establish the West Eugene EmX Extension.

42 (5) Bond-related costs for the lottery bonds authorized by this section must be paid from
43 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
44 286A.576 (1)(c).

45 **SECTION 29.** The West Eugene EmX Extension Fund is established in the State Treas-

1 ury, separate and distinct from the General Fund. Interest earned on moneys in the West
2 Eugene EmX Extension Fund shall be credited to the fund. The West Eugene EmX Extension
3 Fund consists of moneys deposited in the fund under section 28 of this 2009 Act, and may
4 include fees, revenues or other income deposited into the fund by the Legislative Assembly
5 for payment of costs incurred to establish the West Eugene EmX Extension. Moneys in the
6 fund are continuously appropriated to the Oregon Department of Administrative Services
7 for:

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

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

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

12 (1) For the biennium beginning July 1, 2009, at the request of the Oregon Department of
13 Administrative Services, after the department consults with the State Department of En-
14 ergy, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to
15 286A.585 in an amount not to exceed net proceeds of \$5,000,000 for the purpose described in
16 subsection (3) of this section, plus an additional amount, to be estimated by the State
17 Treasurer, for payment of bond-related costs.

18 (2) The Legislative Assembly finds that:

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

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

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

28 (4) Bond-related costs for the lottery bonds authorized by this section must be paid from
29 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
30 286A.576 (1)(c).

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