

Senate Bill 5535

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases amount of lottery bonds authorized to be issued by Economic and Community Development Department.

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

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.

Declares emergency, effective July 1, 2009.

A BILL FOR AN ACT

Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and section 2, chapter 788, Oregon Laws 2005; 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:

(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:

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.

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

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

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

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

23 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of this
24 section for financial and other assistance to municipalities, ports and other persons and entities may
25 not exceed the sum of [~~\$248.7~~] **\$257.5** million and an additional amount estimated by the State
26 Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery
27 bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening
28 project may not exceed the sum of \$17.7 million and an additional amount estimated by the State
29 Treasurer to be necessary to pay bond-related costs. Lottery bonds issued pursuant to this section
30 may be issued only at the request of the Director of the Economic and Community Development
31 Department. The director may not request the issuance of lottery bonds pursuant to subsection (1)(b)
32 of this section until a final environmental impact statement has been issued and a record of deci-
33 sions has been submitted to Congress by the United States Army Corps of Engineers, Congress has
34 authorized the Columbia River channel deepening project, and the Washington sponsors' shares of
35 the costs of the Columbia River channel deepening project have been committed.

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

1 moneys in the Oregon Business Development Fund created by ORS 285B.092 may be used and any
 2 purpose for which moneys in the Marine Navigation Improvement Fund created by ORS 777.267 may
 3 be used. The Director of the Economic and Community Development Department shall allocate the
 4 moneys deposited in the Economic Infrastructure Project Fund for the purposes described in this
 5 subsection in accordance with the priorities developed by the Oregon Economic and Community
 6 Development Commission in accordance with ORS 285A.020. However, the director shall transfer
 7 from the Economic Infrastructure Project Fund and deposit into the Channel Deepening Account of
 8 the Marine Navigation Improvement Fund the proceeds of any lottery bonds sold to finance a por-
 9 tion of the costs of the Columbia River channel deepening project. Upon determining the relative
 10 allocation of moneys deposited in the Economic Infrastructure Project Fund among the purposes
 11 described in this subsection, the director shall transfer from the Economic Infrastructure Project
 12 Fund, and deposit into each of the other funds described in this subsection, the amounts so allocated.
 13 Notwithstanding any other provision of law governing the funds described in this subsection, the
 14 funds described in this subsection may be credited with moneys transferred from the Economic
 15 Infrastructure Project Fund by the director in accordance with this subsection.

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

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

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

30 **Sec. 2.** (1) Pursuant to ORS 286.560 to 286.580 [renumbered 286A.560 to 286A.585], lottery bonds
 31 may be issued by the State Treasurer at the request of the Department of Higher Education for
 32 deferred maintenance and capital renewal, code compliance and safety projects.

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

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

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

38 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this
 39 section by the State Treasurer for deferred maintenance and capital renewal, code compliance and
 40 safety projects may not exceed the amount of [~~\$69.43~~] **\$120.83** million and an additional amount es-
 41 timated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286.560.

42 (4) Of the net proceeds of lottery bonds issued pursuant to this section for the biennium begin-
 43 ning July 1, [~~2007~~] **2009**, an amount not to exceed [~~\$50~~] **\$51.4** million shall be deposited in the De-
 44 partment of Higher Education Deferred Maintenance and Capital Repair Project Fund established
 45 by section 3, chapter 788, Oregon Laws 2005.

1 **SECTION 3.** (1) Pursuant to ORS 286A.560 to 286A.585, lottery bonds may be issued for
2 the Housing and Community Services Department to provide financial assistance to aid in
3 the acquisition, renovation or maintenance of section 8 or other housing with federal rent
4 subsidies.

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

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

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

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

16 **SECTION 4.** (1) The Housing and Community Services Department Preservation Housing
17 Fund is established separate and distinct from the General Fund. Interest earned by the
18 Housing and Community Services Department Preservation Housing Fund shall be credited
19 to the fund.

20 (2) Net proceeds of lottery bonds issued pursuant to section 3 of this 2009 Act shall be
21 deposited into the Housing and Community Services Department Preservation Housing Fund.
22 Moneys in the fund are continuously appropriated to the Housing and Community Services
23 Department for providing financial assistance to aid in the acquisition, renovation or main-
24 tenance of section 8 or other housing with federal rent subsidies.

25 **SECTION 5.** (1) Pursuant to ORS 286A.560 to 286A.585, lottery bonds may be issued for
26 the Housing and Community Services Department to provide assistance to community or-
27 ganizations or tenant groups in acquiring manufactured dwelling parks.

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

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

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

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

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

42 (2) Net proceeds of lottery bonds issued pursuant to section 5 of this 2009 Act shall be
43 deposited into the Housing and Community Services Department Manufactured Dwelling
44 Parks Preservation Fund. Moneys in the fund are continuously appropriated to the Housing
45 and Community Services Department to provide assistance to community organizations or

1 tenant groups in acquiring manufactured dwelling parks.

2 **SECTION 7.** (1) Pursuant to ORS 286A.560 to 286A.585, lottery bonds may be issued for
3 the Water Resources Department to provide grants for improvements to drinking water
4 systems, irrigation, drainage, fish protection or watershed enhancement.

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

6 (a) Adequate drinking water systems, irrigation, drainage and healthy ecosystems en-
7 hance community development and encourage economic growth.

8 (b) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems
9 is essential to Oregon's economic growth.

10 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of
11 this section by the Water Resources Department may not exceed the amount of \$2,210,053
12 and an additional amount estimated by the State Treasurer to be necessary to pay bond-
13 related costs as defined in ORS 286A.560.

14 **SECTION 8.** (1) The Water Resources Department Water Supply Fund is established
15 separate and distinct from the General Fund. Interest earned by the Water Resources De-
16 partment Water Supply Fund shall be credited to the fund.

17 (2) Net proceeds of lottery bonds issued pursuant to section 7 of this 2009 Act shall be
18 deposited into the Water Resources Department Water Supply Fund. Moneys in the fund are
19 continuously appropriated to the Water Resources Department to provide grants for im-
20 provements to drinking water systems, irrigation, drainage, fish protection or watershed
21 enhancement.

22 **SECTION 9.** This 2009 Act being necessary for the immediate preservation of the public
23 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
24 July 1, 2009.