

House Bill 5036

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Budget and Management Division, Oregon Department of Administrative Services)

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 Oregon Business Development Department.

Authorizes issuance of lottery bonds for Oregon University System for capital construction and capital renewal, code compliance and safety projects.

Increases amount of lottery bonds authorized to be issued by 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.

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, to assist local governments to mitigate losses resulting from reduced water supply for irrigation and retirement of water rights and to provide assistance in developing and obtaining renewable energy resources.

Authorizes issuance of lottery bonds for Department of Education for development of data system to provide information on development and needs of children in Oregon and to facilitate identification, and evaluate efficacy, of appropriate resources.

Establishes Department of Education Early Childhood Data System Fund. Appropriates moneys from fund for development of data system to provide information on development and needs of children in Oregon and to facilitate identification, and evaluate efficacy, of appropriate resources.

Authorizes issuance of lottery bonds for Oregon Department of Administrative Services for development of human resources information data system.

Establishes Oregon Department of Administrative Services Human Resources Information Data System Fund. Appropriates moneys from fund for development of human resources information data system.

Authorizes issuance of lottery bonds for Oregon Department of Administrative Services for development of performance management data system.

Establishes Oregon Department of Administrative Services Performance Management Data System Fund. Appropriates moneys from fund for development of performance management data system.

Declares emergency, effective July 1, 2011.

A BILL FOR AN ACT

1
2 Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and section 4, chapter
3 906, Oregon Laws 2009; appropriating money; and declaring an emergency.

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

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

6 285B.551. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department
7 of Administrative Services, after the department consults with the Oregon Business Development
8 Department, the State Treasurer is authorized to issue lottery bonds:

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

Note: For budget, see 2011-2013 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 (b) To fund Oregon's share of the costs of the Columbia River channel deepening project.

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

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

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

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

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

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

28 (3)(a) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of
29 this section for financial and other assistance to municipalities, ports and other persons and entities
30 may not exceed the sum of [~~\$266,226,252~~] **\$306,226,252** and an additional amount estimated by the
31 State Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery
32 bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening
33 project may not exceed the sum of \$17.7 million and an additional amount estimated by the State
34 Treasurer to be necessary to pay bond-related costs.

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

41 (4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section
42 shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the
43 State Treasury separate and distinct from the General Fund. Interest earned by the Economic
44 Infrastructure Project Fund shall be credited to the fund. All moneys in the Economic Infrastructure
45 Project Fund are continuously appropriated to the Oregon Business Development Department for

1 any purpose for which moneys in the Special Public Works Fund created by ORS 285B.455 may be
2 used, any purpose for which moneys in the Water Fund created by ORS 285B.563 may be used, any
3 purpose for which moneys in the Safe Drinking Water Revolving Loan Fund created by ORS
4 285A.213 may be used, any purpose for which moneys in the Oregon Port Revolving Fund created
5 by ORS 285A.708 may be used, any purpose for which moneys in the Brownfields Redevelopment
6 Fund created by ORS 285A.188 may be used, any purpose for which moneys in the Oregon Business
7 Development Fund created by ORS 285B.092 may be used and any purpose for which moneys in the
8 Marine Navigation Improvement Fund created by ORS 777.267 may be used. The Director of the
9 Oregon Business Development Department shall allocate the moneys deposited in the Economic
10 Infrastructure Project Fund for the purposes described in this subsection in accordance with the
11 priorities developed by the Oregon Business Development Commission in accordance with ORS
12 285A.020. However, the director shall transfer from the Economic Infrastructure Project Fund and
13 deposit into the Channel Deepening Account of the Marine Navigation Improvement Fund the pro-
14 ceeds of any lottery bonds sold to finance a portion of the costs of the Columbia River channel
15 deepening project. Upon determining the relative allocation of moneys deposited in the Economic
16 Infrastructure Project Fund among the purposes described in this subsection, the director shall
17 transfer from the Economic Infrastructure Project Fund, and deposit into each of the other funds
18 described in this subsection, the amounts so allocated. Notwithstanding any other provision of law
19 governing the funds described in this subsection, the funds described in this subsection may be
20 credited with moneys transferred from the Economic Infrastructure Project Fund by the director in
21 accordance with this subsection.

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

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

34 **SECTION 2. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon De-**
35 **partment of Administrative Services, after the department consults with the Oregon Uni-**
36 **versity System, the State Treasurer is authorized to issue lottery bonds for capital**
37 **construction, deferred maintenance and capital renewal, code compliance and safety projects.**

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

39 **(a) New buildings and facilities are needed in order for universities to have adequate fa-**
40 **ilities for teaching.**

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

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

45 **(d) Having safe and fully functioning university facilities is essential to Oregon's healthy**

1 **economic growth.**

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

4 **(a) Capital construction, including deferred maintenance, may not exceed the amount of**
 5 **\$85,479,000 and an additional amount estimated by the State Treasurer to be necessary to pay**
 6 **bond-related costs as defined in ORS 286A.560.**

7 **(b) Capital renewal, code compliance and safety projects may not exceed the amount of**
 8 **\$51.4 million and an additional amount estimated by the State Treasurer to be necessary to**
 9 **pay bond-related costs as defined in ORS 286A.560.**

10 **(4) Of the net proceeds of lottery bonds issued pursuant to this section for the biennium**
 11 **beginning July 1, 2011, an amount not to exceed:**

12 **(a) \$51.4 million shall be deposited into the Oregon University System Capital Con-**
 13 **struction, Deferred Maintenance and Capital Repair Project Fund established in section 3,**
 14 **chapter 788, Oregon Laws 2005.**

15 **(b) \$85,479,000 shall be deposited into the Oregon University System Fund established in**
 16 **ORS 351.506, segregated in a distinct subaccount to allow necessary compliance under the**
 17 **Internal Revenue Code.**

18 **SECTION 3.** Section 4, chapter 906, Oregon Laws 2009, is amended to read:

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

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

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

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

29 **(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this**
 30 **section may not exceed the amount of [~~\$16,301,718~~] **\$26,301,718** plus an additional amount estimated**
 31 **by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.**

32 **SECTION 4.** (1) Pursuant to ORS 286A.560 to 286A.580, at the request of the Oregon De-
 33 **partment of Administrative Services, after the department consults with the Water Re-**
 34 **sources Department, the State Treasurer is authorized to issue lottery bonds for the Water**
 35 **Resources Department to provide grants for improvements to drinking water systems, irri-**
 36 **gation, drainage, fish protection or watershed enhancement, to assist local governments to**
 37 **mitigate losses resulting from reduced water supply for irrigation and retirement of water**
 38 **rights and to provide assistance in developing and obtaining renewable energy resources.**

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

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

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

44 **(c) Assisting local governments to mitigate losses resulting from reduced water supply**
 45 **for irrigation and retirement of water rights will enhance community efforts to facilitate and**

1 promote economic growth.

2 (d) Increasing the use of renewable energy will assist in reducing energy costs in the
3 long-term, which allows for sustainable economic growth.

4 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of
5 this section by the Water Resources Department may not exceed the amount of \$4,712,303
6 and an additional amount estimated by the State Treasurer to be necessary to pay bond-
7 related costs as defined in ORS 286A.560.

8 **SECTION 5.** Net proceeds of lottery bonds issued pursuant to section 4 of this 2011 Act
9 shall be deposited into the Water Resources Department Water Supply Fund established in
10 section 10, chapter 906, Oregon Laws 2009, and are continuously appropriated as follows:

11 (1) \$3,483,251 for the purposes of establishing and administering a grant fund to assist
12 Klamath County in addressing issues resulting from lost property tax revenues, to mitigate
13 against losses due to reduced water supply for irrigation and retirement of water rights and
14 to provide funds for renewable energy projects.

15 (2) \$1,229,052 for grants for feasibility studies for water conservation, reuse and storage
16 projects.

17 **SECTION 6.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon De-
18 partment of Administrative Services, after the department consults with the Department of
19 Education, the State Treasurer is authorized to issue lottery bonds for development or ac-
20 quisition of a data system to provide information on the development and needs of children
21 in Oregon, to facilitate the identification, and evaluate the efficacy, of appropriate resources
22 and to inform policy choices.

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

24 (a) An adequate and effective delivery of resources for early childhood development will
25 assist Oregon communities in attracting and retaining a committed workforce that facili-
26 tates economic development.

27 (b) Responding to the needs of Oregon's youth in early childhood and beyond will result
28 in optimizing their skills as they move into the workforce, thereby improving the skills of
29 our citizens and the economic vitality of our communities.

30 (c) Information regarding the needs and progress of Oregon's youth will enhance the ef-
31 fectiveness of other resources used to finance public education in Oregon.

32 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of
33 this section may not exceed the amount of \$12 million plus an additional amount estimated
34 by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

35 **SECTION 7.** (1) The Department of Education Early Childhood Data System Fund is es-
36 tablished separate and distinct from the General Fund. Interest earned by the Department
37 of Education Early Childhood Data System Fund shall be credited to the fund.

38 (2) Net proceeds of lottery bonds issued pursuant to section 6 of this 2011 Act shall be
39 deposited into the Department of Education Early Childhood Data System Fund. Moneys in
40 the fund are continuously appropriated to the Department of Education for the acquisition
41 and development of a data system to provide information on the development and needs of
42 children in Oregon and to facilitate the identification, and evaluate the efficacy, of appro-
43 priate resources as provided in section 6 of this 2011 Act.

44 **SECTION 8.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon De-
45 partment of Administrative Services, the State Treasurer is authorized to issue lottery bonds

1 for development or acquisition of a human resources information data system.

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

3 (a) An enhanced human resources information data system will improve the state's
4 ability to deliver services, including providing necessary infrastructure, education and public
5 safety that are essential to economic development.

6 (b) An enhanced human resources information data system will provide critical data
7 necessary to make an optimal allocation of state resources to enable ongoing efforts to im-
8 prove economic development in Oregon.

9 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of
10 this section may not exceed the amount of \$4 million plus an additional amount estimated
11 by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

12 **SECTION 9.** (1) The Oregon Department of Administrative Services Human Resources
13 Information Data System Fund is established separate and distinct from the General Fund.
14 Interest earned by the Oregon Department of Administrative Services Human Resources
15 Information Data System Fund shall be credited to the fund.

16 (2) Net proceeds of lottery bonds issued pursuant to section 8 of this 2011 Act shall be
17 deposited into the Oregon Department of Administrative Services Human Resources Infor-
18 mation Data System Fund. Moneys in the fund are continuously appropriated to the Oregon
19 Department of Administrative Services for the acquisition and development of a human re-
20 sources information data system as provided in section 8 of this 2011 Act.

21 **SECTION 10.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon
22 Department of Administrative Services, the State Treasurer is authorized to issue lottery
23 bonds for the development or acquisition of a performance management information data
24 system.

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

26 (a) An enhanced performance management information data system will improve the
27 state's ability to deliver services, including providing necessary infrastructure, education and
28 public safety that are essential to economic development.

29 (b) An enhanced performance management information data system will provide critical
30 data necessary to make an optimal allocation of state resources that will create an envi-
31 ronment to monitor and improve economic development efforts in Oregon.

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

35 **SECTION 11.** (1) The Oregon Department of Administrative Services Performance Man-
36 agement Data System Fund is established separate and distinct from the General Fund. In-
37 terest earned by the Oregon Department of Administrative Services Performance
38 Management Data System Fund shall be credited to the fund.

39 (2) Net proceeds of lottery bonds issued pursuant to section 10 of this 2011 Act shall be
40 deposited into the Oregon Department of Administrative Services Performance Management
41 Data System Fund. Moneys in the fund are continuously appropriated to the Oregon De-
42 partment of Administrative Services for the acquisition and development of a performance
43 management data system as provided in section 10 of this 2011 Act.

44 **SECTION 12.** This 2011 Act being necessary for the immediate preservation of the public
45 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect

1 **July 1, 2011.**

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