

Senate Bill 260

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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**.

Authorizes issuance of lottery bonds for transportation projects. Establishes Local Government Transportation Improvement Fund for purpose of funding local government transportation projects. Continuously appropriates moneys in fund to Department of Transportation.

Directs Land Conservation and Development Commission to consider certain criteria when preparing, adopting and amending goals and guidelines that relate to this state's transportation system.

Directs Oregon Transportation Commission to consider certain criteria when selecting projects for Statewide Transportation Improvement Program.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the development of this state's transportation system; creating new provisions; amending
3 ORS 184.621; appropriating money; and declaring an emergency.

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

SECTION 1. As used in sections 1 to 6 of this 2011 Act:

5 (1) "Local government" means a county or incorporated city.

6 (2) "Transportation project" has the meaning given that term in ORS 367.010.

7
8 **SECTION 2. (1) At the request of the Department of Transportation, the State Treasurer**
9 **is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 for the biennium**
10 **beginning July 1, 2011.**

11 (2) Net proceeds of bonds issued under this section must be deposited in the Local Gov-
12 ernment Transportation Improvement Fund established in section 4 of this 2011 Act in an
13 amount sufficient to provide \$_____ in net proceeds for the purpose of funding local
14 government transportation projects.

15 (3) Bond-related costs for the lottery bonds authorized by this section must be paid from
16 the gross proceeds of the lottery bonds and from moneys allocated for the purposes of ORS
17 286A.576 (1)(c).

SECTION 3. The Legislative Assembly finds that:

18 (1) There is an urgent need to improve and expand the transportation infrastructure of
19 this state for purposes related to economic development.

20 (2) Local governments and private sector businesses often lack the funds and technical
21 capacity necessary to actuate transportation projects.

22 (3) Public investment in the transportation infrastructure of this state will promote em-
23 ployment opportunities and stimulate industrial growth and commercial enterprise.

24 (4) Improving and expanding the transportation infrastructure of this state will create
25 jobs and further economic development, and the issuance of lottery bonds to finance local
26 government transportation projects is therefore an appropriate use of state lottery funds
27

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 under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

2 **SECTION 4.** (1) The Local Government Transportation Improvement Fund is established
3 in the State Treasury, separate and distinct from the General Fund. Interest earned on
4 moneys in the Local Government Transportation Improvement Fund shall be credited to the
5 fund. The fund shall consist of moneys deposited in the fund under section 2 of this 2011 Act
6 and any moneys derived from fees, revenues or other income that the Legislative Assembly
7 deposits in the fund for the purpose of funding local government transportation projects.
8 Moneys in the fund are continuously appropriated to the Department of Transportation for
9 the purposes described in subsection (2) of this section.

10 (2) Subject to sections 5 and 6 of this 2011 Act, moneys in the Local Government Trans-
11 portation Improvement Fund are available for:

12 (a) Disbursements to local governments to pay the costs of funding local government
13 transportation projects.

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

15 **SECTION 5.** (1) A local government may apply to the Department of Transportation for,
16 and the department may award, a grant to fund a transportation project. The application
17 must:

18 (a) Describe the transportation project; and

19 (b) Describe the area benefited by the transportation project.

20 (2) The department must award a grant under this section to at least two of the following
21 five regions:

22 (a) Region one, consisting of Clackamas, Columbia, Hood River, Multnomah and
23 Washington Counties.

24 (b) Region two, consisting of Benton, Clatsop, Lane, Lincoln, Linn, Marion, Polk,
25 Tillamook and Yamhill Counties.

26 (c) Region three, consisting of Coos, Curry, Douglas, Jackson and Josephine Counties.

27 (d) Region four, consisting of Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake,
28 Sherman, Wasco and Wheeler Counties.

29 (e) Region five, consisting of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union
30 and Wallowa Counties.

31 (3) In accordance with ORS chapter 183, the department shall adopt rules that specify the
32 process by which a local government must apply for a grant under this section.

33 **SECTION 6.** (1) The Department of Transportation shall enter into an agreement with a
34 local government that successfully applies for a grant under section 5 of this 2011 Act. The
35 agreement must require:

36 (a) The department to disburse to the local government moneys from the Local Govern-
37 ment Transportation Improvement Fund when:

38 (A) Moneys are available; and

39 (B) The department determines that the local government has sufficient financing, from
40 moneys available from the department and other sources, to complete the transportation
41 project; and

42 (b) The local government to:

43 (A) Indemnify the state government, as defined in ORS 174.111, to the fullest extent
44 permitted by law for any financial liability that the state government might incur as a result
45 of the local government borrowing moneys for the transportation project; and

1 (B) Refund to the department for deposit in the Local Government Transportation Im-
 2 provement Fund the amount by which the aggregate expenditure of the transportation
 3 project is less than the initial disbursement.

4 (2) The state government is not liable to the lenders, vendors or contractors of a local
 5 government for any action under sections 1 to 6 of this 2011 Act or the grant agreement
 6 authorized by this section.

7 **SECTION 7.** Section 8 of this 2011 Act is added to and made a part of ORS chapter 197.

8 **SECTION 8.** (1) As used in this section:

9 (a) "Local government" means a county or incorporated city.

10 (b) "Transportation corridor" means a highway or any segment of a highway.

11 (2) In preparing, adopting and amending goals and guidelines that relate to this state's
 12 transportation system, the Land Conservation and Development Commission shall:

13 (a) Consider any requirements that local governments must meet in a comprehensive
 14 plan or regional plan to provide sufficient buildable lands within an urban growth boundary,
 15 including the requirement that a comprehensive plan or regional plan must accommodate
 16 estimated housing needs for 20 years;

17 (b) Consider methods by which local governments may mitigate the impact of developing
 18 land;

19 (c) Consider alternative methods by which a local government may finance development
 20 of a transportation corridor;

21 (d) Consider methods by which local governments may improve regional traffic flow;

22 (e) Prioritize local land use needs in the development of a transportation corridor, in-
 23 cluding the need for compact urban development by local governments with an urban growth
 24 boundary;

25 (f) Prioritize the actual and projected growth of a local government over the type of zone
 26 through which a transportation corridor runs and zone changes; and

27 (g) Adopt standards that promote cooperation and account for existing relationships be-
 28 tween local governments to ensure the comprehensive development of this state's transpor-
 29 tation system.

30 (3) The commission shall adopt a process by which a local government may apply to the
 31 department for development of a transportation corridor. When a local government applies
 32 to the department for development of a transportation corridor pursuant to this section, the
 33 commission:

34 (a) Has 180 days from the date that the local government submits the application to ap-
 35 prove or deny the request. If the commission does not approve or deny the request within
 36 180 days, the commission shall approve the request and deem the development to be in
 37 compliance with statewide planning goals.

38 (b) Must issue a clear statement of findings that set forth the basis for the approval or
 39 denial. The findings shall:

40 (A) Identify the goal applicable to the development; and

41 (B) Include a clear statement of findings in support of the commission's determination.

42 (4) In adopting and amending goals and guidelines that relate to this state's transporta-
 43 tion system, the commission shall consult with local governments. In accordance with ORS
 44 chapter 183, the commission shall adopt rules for the administration of this subsection.

45 **SECTION 9.** (1) As used in this section:

1 (a) “Local government” means a county or incorporated city.

2 (b) “Transportation corridor” means a highway or any segment of a highway for which
 3 a local government applies to the Department of Land Conservation and Development for
 4 development pursuant to section 8 of this 2011 Act.

5 (2) When selecting projects for the Statewide Transportation Improvement Program, the
 6 Oregon Transportation Commission shall consider whether the project:

7 (a) Relieves congestion for the state highway system or for major access routes to the
 8 state highway system;

9 (b) Improves the time that it takes to travel through an area that is experiencing rapid
 10 development;

11 (c) Increases the operational effectiveness of the state highway system by providing links
 12 between existing components of the system; and

13 (d) Is capable of reducing congestion in other modes of travel.

14 (3) In reviewing and updating the criteria used to select projects under the Statewide
 15 Transportation Improvement Program, the commission shall consult with local governments.
 16 In accordance with ORS chapter 183, the commission shall adopt rules for the administration
 17 of this subsection.

18 **SECTION 10.** ORS 184.621 is amended to read:

19 184.621. The Oregon Transportation Commission shall work with stakeholders to review and
 20 update the criteria used to select projects within the Statewide Transportation Improvement Pro-
 21 gram. When revising the project selection criteria the commission shall consider whether [*the*
 22 *project*] **meeting the criteria:**

23 (1) Improves the state highway system or major access routes to the state highway system on
 24 the local road system to relieve congestion by expanding capacity, enhancing operations or other-
 25 wise improving travel times within high-congestion corridors.

26 (2) Enhances the safety of the traveling public by decreasing traffic crash rates, promoting the
 27 efficient movement of people and goods and preserving the public investment in the transportation
 28 system.

29 (3) Increases the operational effectiveness and reliability of the existing system by using tech-
 30 nological innovation, providing linkages to other existing components of the transportation system
 31 and relieving congestion.

32 (4) Is capable of being implemented to reduce the need for additional highway projects.

33 (5) Improves the condition, connectivity and capacity of freight-reliant infrastructure serving the
 34 state.

35 (6) Supports improvements necessary for this state’s economic growth and competitiveness, ac-
 36 cessibility to industries and economic development.

37 (7) Provides the greatest benefit in relation to project costs.

38 (8) Fosters livable communities by demonstrating that the investment does not undermine
 39 sustainable urban development.

40 (9) Enhances the value of transportation projects through designs and development that reflect
 41 environmental stewardship and community sensitivity.

42 (10) Is consistent with the state’s greenhouse gas emissions reduction goals and reduces this
 43 state’s dependence on foreign oil.

44 **SECTION 11.** 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 **on passage.**

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