

A-Engrossed
House Bill 4028

Ordered by the House February 10
Including House Amendments dated February 10

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Transportation and Economic Development)

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 issued to finance grants and loans for transportation projects by \$10 million for biennium beginning July 1, 2011.

Authorizes \$10 million in lottery bonds to be issued for water and sewer infrastructure projects.

Authorizes \$10 million in lottery bonds to be issued for community college capital construction.

Specifies projects to be funded by proceeds. Requires Department of Community Colleges and Workforce Development to submit to Legislative Assembly progress report on projects.

[Authorizes \$20 million in lottery bonds to be issued for Oregon Growth Account.]

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to lottery bonds; creating new provisions; amending section 20, chapter 624, Oregon Laws
3 2011; and declaring an emergency.

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

5 **SECTION 1. Sections 3 and 4 of this 2012 Act and the amendments to section 20, chapter**
6 **624, Oregon Laws 2011, by section 2 of this 2012 Act shall be known and may be cited as the**
7 **Transportation and Economic Development Act of 2012.**

8 **SECTION 2.** Section 20, chapter 624, Oregon Laws 2011, is amended to read:

9 **Sec. 20.** (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department
10 of Administrative Services, in consultation with the Department of Transportation, the State Treas-
11 urer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not
12 to exceed net proceeds of [~~\$40~~] **\$50** million for the purpose described in subsection (2) of this section,
13 plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

14 (2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the
15 Multimodal Transportation Fund established under ORS 367.080 sufficient to provide [~~\$40~~] **\$50**
16 million in net proceeds and interest earnings for the Department of Transportation to finance grants
17 and loans for transportation projects as provided in ORS 367.080 to 367.086.

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

20 (4) The Legislative Assembly finds that issuing lottery bonds to finance transportation projects
21 pursuant to this section is essential to promoting the state's economic development and the use of
22 lottery bond proceeds is authorized based on the following findings:

23 (a) There is an urgent need to improve and expand publicly owned and privately owned trans-
24 portation infrastructure to support economic development in this state.

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) A safe, efficient and reliable transportation network supports the long-term economic devel-
2 opment and livability of this state.

3 (c) A multimodal network of air, rail, public transit, highway and marine transportation moves
4 people and goods efficiently.

5 (d) Local governments and private sector businesses often lack capital and the technical ca-
6 pacity to undertake multimodal transportation projects.

7 (e) Public financial assistance can stimulate industrial growth and commercial enterprise and
8 promote employment opportunities in this state.

9 (f) Public investment in transportation infrastructure will create jobs and further economic de-
10 velopment in this state.

11 (g) The use of lottery bond proceeds as provided in this section will create jobs, further eco-
12 nomic development, finance public education or protect parks, watersheds, fish or wildlife within
13 Oregon, and issuance of lottery bonds for the purpose described in this section is therefore an ap-
14 propriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS
15 461.510.

16 **SECTION 3. (1) For the biennium beginning July 1, 2011, at the request of the Oregon**
17 **Department of Administrative Services, in consultation with the Oregon Business Develop-**
18 **ment Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS**
19 **286A.560 to 286A.585 in an amount not to exceed net proceeds of \$10 million for the purpose**
20 **described in subsection (2) of this section, plus an additional amount, to be estimated by the**
21 **State Treasurer, for payment of bond-related costs.**

22 **(2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the**
23 **Special Public Works Fund established under ORS 285B.455 sufficient to provide \$10 million**
24 **in net proceeds and interest earnings for the Oregon Business Development Department to**
25 **finance low-interest loans to municipalities, ports and other persons or entities for water and**
26 **sewer infrastructure projects.**

27 **(3) 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 **(4) The Legislative Assembly finds that issuing lottery bonds to finance water and sewer**
31 **infrastructure projects pursuant to this section is essential to promoting the state's eco-**
32 **nomic development and the use of lottery bond proceeds is authorized based on the following**
33 **findings:**

34 **(a) Financial assistance to municipalities, ports and other persons and entities for**
35 **projects to improve water or sewer infrastructure is essential to the health of the people of**
36 **this state.**

37 **(b) Public investments in water or sewer infrastructure projects will create jobs and**
38 **further economic growth while ensuring the continued health of water and sewer systems.**

39 **SECTION 4. (1) For the biennium beginning July 1, 2011, at the request of the Oregon**
40 **Department of Administrative Services, in consultation with the Department of Community**
41 **Colleges and Workforce Development, the State Treasurer is authorized to issue lottery**
42 **bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$10**
43 **million for the purpose described in subsection (2) of this section, plus an additional amount,**
44 **to be estimated by the State Treasurer, for payment of bond-related costs.**

45 **(2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the**

1 **Community College Capital Construction Fund established under ORS 341.725 sufficient to**
 2 **provide \$9,604,450 in net proceeds and interest earnings for the Department of Community**
 3 **Colleges and Workforce Development to finance the following projects with a targeted**
 4 **workforce preparation and development focus that have been prioritized by all 17 community**
 5 **colleges in this state in the following amounts:**

	Funding
	Amount
	Requested
(a) Blue Mountain Community College	
Veterinary Assistant	
Certificate Program	\$ 465,037
(b) Central Oregon Community College	
Math and Science Laboratories,	
Redmond Campus.....	\$ 500,000
(c) Chemeketa Community College	
CTE/STEM Facilities Improvement	
Project	\$1,000,000
(d) Clackamas Community College	
Industrial Technology and Science	
Workforce Advancement	\$ 800,000
(e) Clatsop Community College	
Welding and Fabrication	
Program	\$ 281,785
(f) Columbia Gorge Community College	
CGCC Rural Clinical Simulation	
Center Essential Capital	
Equipment Replacement	\$ 297,193
(g) Klamath Community College	
Culinary Arts, AAS; Foodservice	
Systems; Administration and	
Management.....	\$ 300,000
(h) Lane Community College	
Science, Technology, Engineering	
and Math Classrooms and Labs ...	\$1,000,000
(i) Linn-Benton Community College	
Advanced Transportation	
Technology Center	\$ 800,000
(j) Mt. Hood Community College	
Lab and Classroom Additions	
and Upgrades	\$ 800,000
(k) Oregon Coast Community College	
Renovations to Allied Health	
Training Center and Science	

1	Laboratory	\$ 273,235
2	(L) Portland Community College	
3	Trades Training Center.....	\$1,000,000
4	(m) Rogue Community College	
5	Manufacturing and	
6	Fabrication Flex Lab.....	\$ 500,000
7	(n) Southwestern Oregon Community College	
8	Renovate Labs and Classrooms	
9	for STEM and CTE Support.....	\$ 387,200
10	(o) Tillamook Bay Community College	
11	Ag and Natural Resources	
12	Learning Lab.....	\$ 300,000
13	(p) Treasure Valley Community College	
14	Science and Technology	
15	Classrooms and Labs and	
16	Agriculture Livestock Center	
17	Classroom and Lab	\$ 500,000
18	(q) Umpqua Community College	
19	Douglas County CTE/STEM	
20	Centers.....	\$ 400,000

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

(4) The Legislative Assembly finds that issuing lottery bonds to finance community college capital construction projects pursuant to this section is essential to promoting the state's economic development and the use of lottery bond proceeds is authorized based on the following findings:

(a) New buildings and facilities are needed for community colleges to have adequate facilities for teaching.

(b) Development of community college infrastructure with a focus on workforce preparation and development prioritized by all 17 community colleges in this state will serve to educate and develop a future workforce essential to Oregon's economic growth.

(5) Following the sale of bonds for projects described in subsection (2) of this section, the Department of Community Colleges and Workforce Development shall submit a progress report to the Legislative Assembly. The progress report shall include all of the following information for each project described in subsection (2) of this section:

- (a) The planned start date of the project.
- (b) The actual start date of the project.
- (c) The current status of the project.
- (d) The project completion date or scheduled completion date.
- (e) Expenditures made for the project to date.
- (f) The number of construction hours worked.
- (g) The proportion of funds used for equipment purchase and new construction.

1 **(h) The percentage of jobs performed or contracts fulfilled by Oregon residents.**

2 **(i) A description of increased program capacity resulting from the project.**

3 **(j) A description of the local workforce need addressed by the project.**

4 **SECTION 5. This 2012 Act being necessary for the immediate preservation of the public**
5 **peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect**
6 **on its passage.**

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