

---

# MEMORANDUM

Legislative Fiscal Office  
900 Court St. NE, Room H-178  
Salem, Oregon 97301  
Phone 503-986-1828  
FAX 503-373-7807

---

---

**To:** Capital Construction Subcommittee

**From:** Linda Gilbert, Legislative Fiscal Office  
(503) 986-1845

**Date:** July 5, 2013

**Subject:** SB 260  
Work Session Recommendations

---

Senate Bill 260 relates to Multimodal Transportation Fund. The measure has an emergency clause and is effective on passage.

The measure authorized issuing lottery bonds for the fifth iteration of ConnectOregon. It specifies allocation of proceeds across the state. It stipulates that a railroad company may not receive, directly or indirectly, a grant or loan from the Multimodal Transportation Fund if the railroad company charges landowner for easement to cross railroad located wholly within Linn and Benton County if crossing is necessary to enter landowner's property, unless charge was imposed and collected prior to January 1, 2013.

The measure, the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

The measure previously had a public hearing in the Senate Business and Transportation Committee on February 19 and April 2.

Senate Bill 5533 includes Lottery Bond proceeds for Multimodal Transportation grants and loans in 2013-15. Bonds would be sold in the spring of 2015. Expenditure limitation to use bond proceeds is in House Bill 5008.

## **Amendment [if needed]**

The –A10 amendment adds bicycle and pedestrian to the list of eligible transportation modes and deletes bonding authorization, as that authorization is in Senate Bill 5533, Section 11.

**Motion #1: Move the –A10 amendment to SB 260.**

**Measure as Modified**

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

**Motion #2: Move SB 260 to the full committee with a “do pass” recommendation, as amended.**

**Assignment of Carriers**

Full: \_\_\_\_\_

2nd Chamber: \_\_\_\_\_

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 260**

1 On page 1 of the printed A-engrossed bill, line 2, after “ORS” insert  
2 “367.080, 367.084 and”.

3 Delete lines 5 through 25 and delete pages 2 and 3 and insert:

4 **“SECTION 1.** ORS 367.080 is amended to read:

5 “367.080. (1) As used in ORS 367.080 to 367.086, ‘transportation project’  
6 has the meaning given that term in ORS 367.010.

7 “(2) The Multimodal Transportation Fund is established separate and  
8 distinct from the General Fund. Earnings on moneys in the Multimodal  
9 Transportation Fund shall be deposited into the fund. Moneys in the Multi-  
10 modal Transportation Fund are continuously appropriated to the Department  
11 of Transportation for the purposes described in subsection (3) of this section  
12 and in ORS 367.086.

13 “(3) The department shall use moneys in the Multimodal Transportation  
14 Fund to provide grants and loans for transportation projects as provided in  
15 ORS 367.080 to 367.086. Grants and loans may be provided only for projects  
16 that involve one or more of the following modes of transportation:

17 “(a) Air;

18 “(b) Marine;

19 “(c) Rail; [*and*]

20 “(d) Public transit[.]; **and**

21 **“(e) Bicycle and pedestrian.**

22 “(4) All moneys received by the department as interest on loans made

1 under this section and as repayment of principal of loans made under this  
2 section shall be deposited into the Multimodal Transportation Fund.

3 **“SECTION 2.** ORS 367.084 is amended to read:

4 “367.084. (1) The Oregon Transportation Commission shall select trans-  
5 portation projects to be funded with moneys in the Multimodal Transporta-  
6 tion Fund established by ORS 367.080.

7 “(2)(a) Prior to selecting aeronautic and airport transportation projects,  
8 the commission shall solicit recommendations from the State Aviation Board.

9 “(b) Prior to selecting freight transportation projects, the commission  
10 shall solicit recommendations from the Freight Advisory Committee.

11 “(c) Prior to selecting public transit and rail projects, the commission  
12 shall solicit recommendations from its public transit and rail advisory com-  
13 mittees.

14 “(d) Prior to selecting marine projects, the commission shall solicit rec-  
15 ommendations from the Oregon Business Development Department.

16 **“(e) Prior to selecting bicycle and pedestrian projects, the commis-  
17 sion shall solicit recommendations from the advisory committee cre-  
18 ated by ORS 366.112.**

19 “(3) In selecting transportation projects the commission shall consider:

20 “(a) Whether a proposed transportation project reduces transportation  
21 costs for Oregon businesses or improves access to jobs and sources of labor;

22 “(b) Whether a proposed transportation project results in an economic  
23 benefit to this state;

24 “(c) Whether a proposed transportation project is a critical link connect-  
25 ing elements of Oregon’s transportation system that will measurably improve  
26 utilization and efficiency of the system;

27 “(d) How much of the cost of a proposed transportation project can be  
28 borne by the applicant for the grant or loan from any source other than the  
29 Multimodal Transportation Fund; and

30 “(e) Whether a proposed transportation project is ready for construction.

1       **“SECTION 3.** ORS 367.086 is amended to read:

2       “367.086. *[(1) The Oregon Transportation Commission shall transfer moneys*  
3 *for aeronautic and airport transportation projects selected under ORS 367.084*  
4 *from the Multimodal Transportation Fund to the Oregon Department of Avi-*  
5 *ation, which shall administer the projects. The amount transferred shall in-*  
6 *clude moneys to pay administrative costs incurred by the Oregon Department*  
7 *of Aviation in carrying out the provisions of ORS 367.080 to 367.086.]*

8       **“(1) The Department of Transportation, in cooperation with the**  
9 **Oregon Department of Aviation, shall administer aeronautic and air-**  
10 **port transportation projects selected under ORS 367.084 for funding**  
11 **with moneys in the Multimodal Transportation Fund. The Oregon**  
12 **Department of Aviation may use moneys from the Multimodal Trans-**  
13 **portation Fund to pay administrative costs incurred by the Oregon**  
14 **Department of Aviation in carrying out the provisions of ORS 367.080**  
15 **to 367.086.**

16       “(2) Except as provided in subsection (1) of this section, the Department  
17 of Transportation shall administer all transportation projects that are se-  
18 lected under ORS 367.084. The Department **of Transportation** may use  
19 moneys from the Multimodal Transportation Fund to pay administrative  
20 costs incurred by the Department **of Transportation** in carrying out the  
21 provisions of ORS 367.080 to 367.086.

22       **“SECTION 4. Section 5 of this 2013 Act is added to and made a part**  
23 **of ORS 824.200 to 824.256.**

24       **“SECTION 5. (1) Notwithstanding ORS 367.082, a railroad company**  
25 **may not receive, directly or indirectly, a grant or loan of moneys from**  
26 **the Multimodal Transportation Fund established in ORS 367.080 if the**  
27 **railroad company charges a landowner for an easement to cross a**  
28 **railroad that is necessary for the landowner to access the landowner’s**  
29 **property.**

30       **“(2)(a) This section applies only to a railroad company that operates**

1 a railroad located wholly within the boundaries of Benton and Linn  
2 Counties.

3 “(b) The provisions of this section do not apply to a railroad com-  
4 pany that was imposing and collecting the charge before January 1,  
5 2013.

6 “(3) Rules adopted by the Department of Transportation under ORS  
7 367.082 relating to applications for grants or loans of moneys from the  
8 Multimodal Transportation Fund must provide for notice to applicants  
9 of the restrictions imposed by this section.

10 “(4) If the department determines that a railroad company has  
11 charged a landowner for an easement in violation of this section, the  
12 department may not thereafter make any further grants or loans of  
13 moneys from the Multimodal Transportation Fund that would benefit  
14 the railroad company.

15 “SECTION 6. Section 5 of this 2013 Act applies to all grants and  
16 loans of moneys from the Multimodal Transportation Fund made on  
17 or after the effective date of this 2013 Act.

18 “SECTION 7. This 2013 Act being necessary for the immediate  
19 preservation of the public peace, health and safety, an emergency is  
20 declared to exist, and this 2013 Act takes effect on its passage.”.

21

---

Joint Committee on Ways and Means

Carrier – House: Rep.  
Carrier – Senate: Sen.

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Linda Gilbert, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

---

**WHAT THE MEASURE DOES:** Authorizes issuance of lottery bonds for transportation projects funded from the Multimodal Transportation Fund and specifies the allocation of the proceeds. Stipulates that a railroad company may not receive, directly or indirectly, a grant or loan from the Multimodal Transportation Fund if it charges a landowner for an easement to cross a railroad located wholly within Linn and Benton County if the crossing is necessary to enter the landowner's property unless the charge was imposed and collected prior to January 1, 2013. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- 

**EFFECT OF COMMITTEE AMENDMENT:** -A10 amendment removes the bond authorization language, and allows bicycle and pedestrian projects.

**BACKGROUND:** The Legislative Assembly created the ConnectOregon program in 2005 to provide funding in the form of grants and loans for non-highway transportation projects, including aviation, marine, passenger and freight rail and public transportation projects. The initial program provided \$100 million in lottery-backed bonds, which provided funding for 38 projects; it was followed by an additional \$100 million in 2007 (30 projects) and 2009 (40 projects). The Legislative Assembly approved \$40 million for ConnectOregon IV in 2011; the funds were used to help finance 38 projects, which were able to leverage a total of \$95 million in non-ConnectOregon funds. Overall, the ConnectOregon program in its four iterations has received a total of 424 eligible project applications, of which 203 were selected for funding; when combined with leveraged funds, the program has resulted in a total of \$834 million in direct investment to multimodal transportation improvements.

Senate Bill 260-A authorizes the fifth iteration of ConnectOregon for an unspecified amount of lottery bond proceeds to be determined later. The funds are to be allocated to five geographic regions across Oregon, with each of the five regions to receive at least 10 percent of the total allocated, provided there are qualified projects in each region to be funded.

Senate Bill 260 also stipulates that a railroad company may not receive funding from the Multimodal Transportation Fund if it charges a landowner for an easement to cross the railroad, unless the charge was imposed and collected prior to January 1, 2013. The measure applies only to the Albany & Eastern Railroad.

The measure also changes administrative provisions for aviation related projects.

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 260 - A10**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

---

Prepared by: Tim Walker  
Reviewed by: Linda Gilbert, Daron Hill  
Date:

---

**Measure Description:**

Directs use of lottery bonds for transportation projects funded from Multimodal Transportation Fund, as authorized in the Lottery Bond bill.

**Government Unit(s) Affected:**

Oregon Department of Transportation (ODOT)

**Analysis:**

The proposed legislation has been determined to have  
**MINIMAL EXPENDITURE IMPACT**  
on state or local government.

While this individual measure has a “Minimal” fiscal impact, an agency may incur a net fiscal impact greater than minimal depending on the cumulative impact of all measures enacted into law that affect the agency.