77th OREGON LEGISLATIVE ASSEMBLY – 2013 Regular Session MEASURE: HB 2310 A STAFF MEASURE SUMMARY CARRIER:

House Committee on Transportation & Economic Development

REVENUE: Revenue statement issued **FISCAL:** Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed and then Be Referred to the Committee on Ways

and Means by Prior Reference

Vote: 9 - 0 - 1

Yeas: Bentz, Cameron, Davis, Doherty, Gorsek, Lively, Nathanson, Parrish, Read

Nays: 0

Exc.: McKeown

Prepared By: Troy Rayburn, Administrator

Meeting Dates: 2/22, 3/22

WHAT THE MEASURE DOES: Relating to financing transportation projects. Promotes state's economic development. Broadens applicability of Multimodal Transportation Fund to include bicycle and pedestrian projects. Authorizes issuance of \$100 million in lottery bonds for transportation projects funded from Multimodal Transportation Fund. Specifies use of lottery bond proceeds. Creates five county regions for fund allocation of at least 10 percent of net proceeds. Declares emergency, effective July 1, 2013.

ISSUES DISCUSSED:

- Review and consideration of -2 amendments
- Trends among modes of transportation to better understand which modes are used and which are not
- Need to change the program to include bike, pedestrian, and county rail roads
- Connectivity of modes equally important
- How projects are evaluated and prioritized
- Interest in making program more of a loan program and less of a grant program
- How loans are factored in and used as opposed to grants
- Money match requirement
- Timeline or wait time between award and receiving moneys is 14 to 15 months
- Agriculture's need for affordable and varied modes of transportation
- Small manufacturers' need for the program
- Benefits to cities and counties infrastructure and economy / jobs
- Public projects vs. private projects relationship to funding
- Concern for the state legislature becoming a type of philanthropic charity that is crowding out private investment
- Concern for private companies with high profit margins receiving public funding assistance
- Ports ask to keep \$100 million in this biennium

EFFECT OF COMMITTEE AMENDMENT: Requires allocation of at least 10 percent of net proceeds of lottery bonds authorized to each of five county regions. Modifies definition of "transportation project." Broadens focus on non-highway transportation to include bicycle and pedestrian projects. Provides for both grants and loans for both private and public projects that involve one or more modes (air, marine, rail, public transit, bicycle, and pedestrian). Sets cap on loans not to exceed 80 percent of the moneys required for the total cost of a transportation project. Allows for partial forgiveness of loan if the recipient is a public body, if the recipient meets project delivery standards as established by department rule(s); and if the recipient demonstrates that the project meets the performance measures as established by department rule(s). Allows for aeronautic and airport transportation projects.

BACKGROUND: House Bill 2310 A provides on-going funding from the State Lottery Fund for the *Connect*Oregon program through the Multimodal Transportation Fund, rather than the current biennial bond authorization. The Oregon Transportation Commission has rule-making authority to revise the *Connect*Oregon process as needed.