

A-Engrossed
House Bill 2310

Ordered by the House March 27
Including House Amendments dated March 27

Sponsored by Representative READ (Pre-session filed.)

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.

Authorizes issuance of lottery bonds for transportation projects funded from Multimodal Transportation Fund. Specifies allocation of lottery bond proceeds.

Provides that qualifying bicycle and pedestrian projects may receive loans from fund. Eliminates issuance of grants from fund.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

1
2 Relating to financing transportation projects; creating new provisions; amending ORS 367.080,
3 367.082, 367.084 and 367.086; and declaring an emergency.

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

5 **SECTION 1. (1) The Legislative Assembly finds that issuing lottery bonds to finance**
6 **transportation projects is essential to promoting the state's economic development.**

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

8 **(a) There is an urgent need to improve and expand publicly owned and privately owned**
9 **transportation infrastructure to support economic development in this state.**

10 **(b) A safe, efficient and reliable transportation network supports the long-term economic**
11 **development and livability of this state.**

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

14 **(d) Local governments and private sector businesses often lack capital and the technical**
15 **capacity to undertake multimodal transportation projects.**

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

18 **(f) Public investment in transportation infrastructure will create jobs and further eco-**
19 **nomical development in this state.**

20 **(3) The factors described in subsection (2) of this section will encourage and promote**
21 **economic development within this state, and issuance of lottery bonds to finance transpor-**
22 **tation projects is therefore an appropriate use of state lottery funds under Article XV, sec-**
23 **tion 4, of the Oregon Constitution, and ORS 461.510.**

24 **SECTION 2. (1) For the biennium beginning July 1, 2013, at the request of the Oregon**
25 **Department of Administrative Services, in consultation with the Department of Transporta-**
26 **tion, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to**

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 **286A.585 in an amount not to exceed net proceeds of \$100 million for the purpose described**
2 **in subsection (2) of this section, plus an additional amount, to be estimated by the State**
3 **Treasurer, for payment of bond-related costs.**

4 **(2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the**
5 **Multimodal Transportation Fund established under ORS 367.080 sufficient to provide \$100**
6 **million in net proceeds and interest earnings for disbursement to the Department of Trans-**
7 **portation to finance loans for transportation projects as provided in ORS 367.080 to 367.086.**

8 **(3) Bond-related costs for the lottery bonds authorized by this section must be paid from**
9 **the gross proceeds of the lottery bonds and from allocations for the purposes of ORS**
10 **286A.576 (1)(c).**

11 **SECTION 3. (1) To the extent that proposed transportation projects meet the qualifica-**
12 **tions established by the Oregon Transportation Commission by rule, the commission shall**
13 **allocate at least 10 percent of the net proceeds of the lottery bonds authorized by section 2**
14 **of this 2013 Act to each region described in this section.**

15 **(2) For purposes of this section, the regions are as follows:**

16 **(a) Region one consists of Clackamas, Hood River, Multnomah and Washington Counties.**

17 **(b) Region two consists of Benton, Clatsop, Columbia, Lane, Lincoln, Linn, Marion, Polk,**
18 **Tillamook and Yamhill Counties.**

19 **(c) Region three consists of Coos, Curry, Douglas, Jackson and Josephine Counties.**

20 **(d) Region four consists of Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake,**
21 **Sherman, Wasco and Wheeler Counties.**

22 **(e) Region five consists of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union and**
23 **Wallowa Counties.**

24 **(3) Nothing in this section requires the commission to select a transportation project for**
25 **funding solely to meet the regional allocation requirement in subsection (1) of this section.**

26 **SECTION 4. ORS 367.080 is amended to read:**

27 **367.080. (1) As used in ORS 367.080 to 367.086, “transportation project” has the meaning given**
28 **that term in ORS 367.010.**

29 **(2) The Multimodal Transportation Fund is established separate and distinct from the General**
30 **Fund. Earnings on moneys in the Multimodal Transportation Fund shall be deposited into the fund.**
31 **Moneys in the Multimodal Transportation Fund are continuously appropriated to the Department**
32 **of Transportation for the purposes described in subsection (3) of this section and in ORS 367.086.**

33 **(3) The department shall use moneys in the Multimodal Transportation Fund to provide [*grants***
34 ***and*] loans for transportation projects as provided in ORS 367.080 to 367.086. [*Grants and*] Loans**
35 **may be provided only for projects that involve one or more of the following modes of transportation:**

36 **(a) Air;**

37 **(b) Marine;**

38 **(c) Rail; [*and*]**

39 **(d) Public transit[.];**

40 **(e) Bicycle; and**

41 **(f) Pedestrian.**

42 **(4) All moneys received by the department as interest on loans made under this section and as**
43 **repayment of principal of loans made under this section shall be deposited into the Multimodal**
44 **Transportation Fund.**

45 **SECTION 5. ORS 367.082 is amended to read:**

1 367.082. (1) Except as provided in subsection (2) of this section, the Department of Transporta-
2 tion may provide, from moneys in the Multimodal Transportation Fund established by ORS
3 367.080[:]

4 [(a) *Grants for transportation projects to public bodies, as defined in ORS 174.109, and to private*
5 *entities; and]*

6 [(b) *Loans for transportation projects*], **loans** to public bodies, as defined in ORS 174.109, and to
7 private entities, **for transportation projects**.

8 (2)(a) [*Grants and*] Loans may not be made from the Multimodal Transportation Fund for
9 transportation projects that could constitutionally be funded by revenues described in [*section 3a,*]
10 Article IX, **section 3a**, of the Oregon Constitution.

11 **(b) Loans may not exceed 80 percent of the moneys required for the total cost of a**
12 **transportation project.**

13 **(3) A loan recipient shall receive partial forgiveness of a loan received under this section**
14 **if the loan recipient submits an application to the department in accordance with rules**
15 **adopted by the department. The department shall forgive:**

16 **(a) 37.5 percent of the moneys lent for a transportation project if the recipient is a public**
17 **body.**

18 **(b) 25 percent of the moneys lent for a transportation project if the recipient meets**
19 **project delivery standards as established by the department by rule.**

20 **(c) 37.5 percent of the moneys lent for a transportation project if the recipient demon-**
21 **strates that the project meets the performance measures as established by the department**
22 **by rule.**

23 [(3)] (4) The department [*of Transportation*] shall adopt rules[:]

24 [(a)] specifying the process by which a public body or private entity may apply for a loan, **or**
25 **partial forgiveness of a loan**, under this section and prescribing the terms and conditions of loans,
26 including but not necessarily limited to **the delivery standards or performance measures that**
27 **a loan recipient or project must meet to qualify for partial forgiveness of a loan**, interest rates
28 and repayment schedules[: *and*].

29 [(b) *Specifying the process by which a public body or private entity may apply for a grant under*
30 *this section and prescribing the terms and conditions of grants, including but not necessarily limited*
31 *to a requirement that the public body or private entity receiving the grant provide at least 20 percent*
32 *of the moneys required for the transportation project.*]

33 **SECTION 6.** ORS 367.084 is amended to read:

34 367.084. (1) The Oregon Transportation Commission shall select transportation projects to be
35 funded with moneys in the Multimodal Transportation Fund established by ORS 367.080.

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

38 (b) Prior to selecting freight transportation projects, the commission shall solicit recommen-
39 dations from the Freight Advisory Committee.

40 (c) Prior to selecting public transit and rail projects, the commission shall solicit recommen-
41 dations from its public transit and rail advisory committees.

42 (d) Prior to selecting marine projects, the commission shall solicit recommendations from the
43 Oregon Business Development Department.

44 **(e) Prior to selecting bicycle and pedestrian projects, the commission shall solicit rec-**
45 **ommendations from the advisory committee created by ORS 366.112.**

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

2 (a) **Whether a proposed transportation project is a statewide transportation priority;**

3 (b) **Whether there is an urgent need for the proposed transportation project;**

4 [(a)] (c) Whether a proposed transportation project reduces transportation costs for Oregon
5 businesses or improves access to jobs and sources of labor;

6 [(b)] (d) Whether a proposed transportation project results in an economic benefit to this state;

7 [(c)] (e) Whether a proposed transportation project is a critical link connecting elements of
8 Oregon's transportation system that will measurably improve utilization and efficiency of the system;

9 [(d)] (f) How much of the cost of a proposed transportation project can be borne by the applicant
10 for the *[grant or]* loan from any source other than the Multimodal Transportation Fund; and

11 [(e)] (g) Whether a proposed transportation project is ready for construction.

12 (4) **When selecting transportation projects, the commission shall give priority to the
13 considerations described in subsection (3)(a) and (b) of this section.**

14 **SECTION 7.** ORS 367.086 is amended to read:

15 367.086. [(1) *The Oregon Transportation Commission shall transfer moneys for aeronautic and
16 airport transportation projects selected under ORS 367.084 from the Multimodal Transportation Fund
17 to the Oregon Department of Aviation, which shall administer the projects. The amount transferred
18 shall include moneys to pay administrative costs incurred by the Oregon Department of Aviation in
19 carrying out the provisions of ORS 367.080 to 367.086.*]

20 [(2)] (1) Except as provided in subsection [(1)] (2) of this section, the Department of Transpor-
21 tation shall administer all transportation projects that are selected under ORS 367.084. The depart-
22 ment may use moneys from the Multimodal Transportation Fund to pay administrative costs
23 incurred by the department in carrying out the provisions of ORS 367.080 to 367.086.

24 (2) **The Department of Transportation, in cooperation with the Oregon Department of
25 Aviation, shall administer aeronautic and airport transportation projects selected under ORS
26 367.084 for funding, using moneys from the Multimodal Transportation Fund. The Oregon
27 Department of Aviation may use moneys from the Multimodal Transportation Fund to pay
28 administrative costs incurred by the Oregon Department of Aviation in carrying out the
29 provisions of ORS 367.080 to 367.086.**

30 **SECTION 8.** This 2013 Act being necessary for the immediate preservation of the public
31 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
32 on its passage.

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