

House Bill 3348

Sponsored by Representative HOYLE

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**.

Requires that 18 percent of net proceeds from Oregon State Lottery be deposited in Multimodal Transportation Fund. Expands use of fund.

Directs Department of Transportation, after consultation with Oregon Department of Aviation, to administer aeronautic and airport transportation projects selected from projects to be funded with moneys in Multimodal Transportation Fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to transportation projects; creating new provisions; amending ORS 367.080, 367.082, 367.084,
3 367.086, 461.510 and 461.540; and declaring an emergency.

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

5 **SECTION 1.** ORS 461.510 is amended to read:

6 461.510. (1) All money payable to the **Oregon State Lottery** Commission shall be deposited in
7 a fund **created under ORS 461.530 and** known as the **Oregon** State Lottery Fund. The **Oregon**
8 State Lottery Fund shall receive all proceeds from the sale of lottery tickets or shares, the tempo-
9 rary loan for initial start-up costs and all other moneys credited to the Oregon State Lottery from
10 any other lottery-related source. The **Oregon** State Lottery Fund is continuously appropriated **to**
11 **the Director of the Oregon State Lottery** for the purpose of administering and operating the
12 commission and the state lottery.

13 (2) Disbursements shall be made from the **Oregon** State Lottery Fund for any of the following
14 purposes:

15 (a) The payment of prizes to the holders of valid winning lottery tickets or shares;

16 (b) Expenses of the commission and the state lottery;

17 (c) Repayment of any funds advanced from the temporary loan for initial start-up costs and the
18 interest on any such funds advanced; and

19 *[(d) Transfer of funds from the State Lottery Fund to the benefit of the public purpose described*
20 *in section 4, Article XV of the Constitution of the State of Oregon.]*

21 **(d) Transfer of the net proceeds from the Oregon State Lottery from the Oregon State**
22 **Lottery Fund to the Administrative Services Economic Development Fund established in**
23 **ORS 461.540 for the public purposes described in Article XV, section 4, of the Oregon Con-**
24 **stitution.**

25 (3) As nearly as practical, at least 50 percent of the total projected revenue, computed on a
26 year-round basis, accruing from the sales of all state lottery tickets or shares shall be apportioned
27 for payment of prizes.

28 (4) Expenses of the state lottery shall include all costs incurred in the operation and adminis-
29 tration of the state lottery and all costs resulting from any contracts entered into for the purchase

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 or lease of goods or services required by the commission including, but not limited to, the costs of
 2 supplies, materials, tickets, independent audit services, independent studies, data transmission, ad-
 3 vertising, promotion, incentives, public relations, communications, compensation paid to lottery
 4 game retailers, bonding for lottery game retailers, printing, distribution of tickets and shares, reim-
 5 bursing other governmental entities for services provided to the state lottery, transfers to a con-
 6 tingency reserve, and for any other goods and services necessary for effectuating the purposes of
 7 this chapter. No more than 16 percent of the total annual revenues accruing from the sale of all
 8 lottery tickets and shares from all lottery games shall be allocated for the payment of the expenses
 9 of the state lottery. The commission shall determine the amount necessary for a reasonable contin-
 10 gency reserve within the amount allocated for payment of expenses.

11 (5) The state lottery shall pay all prizes and all of its expenses out of the revenues it receives
 12 from the sale of tickets and shares to the public and turn over the net proceeds therefrom to a fund
 13 to be established by the Legislative Assembly from which the Legislative Assembly shall make ap-
 14 propriations for the benefit of the public [*purpose described in section 4, Article XV of the Constitu-*
 15 *tion of the State of Oregon*] **purposes described in Article XV, section 4, of the Oregon**
 16 **Constitution.**

17 (6) Moneys in the **Oregon** State Lottery Fund may be invested as provided in ORS 293.701 to
 18 293.820. Interest earned by the fund shall be credited to the fund.

19 **SECTION 2.** ORS 461.540 is amended to read:

20 461.540. (1) There is established in the General Fund of the State Treasury the Administrative
 21 Services Economic Development Fund. All moneys transferred **pursuant to ORS 461.510** from the
 22 **Oregon** State Lottery Fund, interest earnings credited to this fund and other moneys authorized to
 23 be transferred to this fund from whatever source are appropriated continuously **to the Oregon**
 24 **Department of Administrative Services** for any of the following public purposes:

- 25 (a) Creating jobs;
- 26 (b) Furthering economic development [*in Oregon; or*];
- 27 (c) Financing public education **in Oregon; or**
- 28 **(d) Restoring and protecting Oregon's parks, beaches, watersheds and native fish and**
 29 **wildlife.**

30 [(2) Moneys shall be transferred from the Administrative Services Economic Development Fund
 31 to:]

32 [(a) The Education Stability Fund established under ORS 348.696 as described in section 4, Article
 33 XV of the Oregon Constitution; and]

34 [(b) The School Capital Matching Fund established under ORS 286A.806 as described in section
 35 4, Article XI-P of the Oregon Constitution.]

36 **(2) Subject to subsection (3) of this section, for the benefit of the public purposes de-**
 37 **scribed in Article XV, section 4, Oregon Constitution:**

38 **(a) Up to 18 percent of the net proceeds from the state lottery must be transferred, as**
 39 **required by Article XV, section 4 (4)(d) and (5), Oregon Constitution, to:**

40 **(A) The Education Stability Fund established in ORS 348.696 pursuant to Article XV,**
 41 **section 4, Oregon Constitution; and**

42 **(B) The School Capital Matching Fund established in ORS 286A.806 pursuant to Article**
 43 **XI-P, section 4, Oregon Constitution; and**

44 **(b) Fifteen percent of the net proceeds from the state lottery must be transferred as**
 45 **required by Article XV, section 4 (8), Oregon Constitution, to the Parks and Natural Re-**

1 sources Fund established in ORS 541.940 pursuant to Article XV, section 4, Oregon Consti-
 2 tution.

3 (3) Pursuant to Article XV, section 4 (4)(d), Oregon Constitution, the transfer of moneys
 4 from the Administrative Services Economic Development Fund, including transfers described
 5 in subsection (2) of this section, may be made only after payment or satisfaction of:

6 (a) All liens, pledges and other obligations relating to lottery bonds or refunding lottery
 7 bonds issued under ORS 286A.560 to 286A.585 as they become due or payable; and

8 (b) Amounts required by any other pledges of, or liens on, net proceeds from the state
 9 lottery.

10 (4) In each biennium beginning on or after July 1, 2013, the Oregon Department of Ad-
 11 ministrative Services shall transfer from the Administrative Services Economic Development
 12 Fund to the Multimodal Transportation Fund established under ORS 367.080 an amount equal
 13 to 18 percent of the net proceeds from the state lottery transferred from the Oregon State
 14 Lottery Fund pursuant to ORS 461.510 (2)(d).

15 [(3)] (5) As used in this section and [section 4,] Article XV, section 4, [of the] Oregon Constitu-
 16 tion:

17 (a) "Creating jobs" includes, but is not limited to:

18 (A) Supporting the creation of new jobs in Oregon;

19 (B) Helping prevent the loss of existing jobs in Oregon;

20 (C) Assisting with work transition to new jobs in Oregon; or

21 (D) Training or retraining workers.

22 (b) "Education" includes, but is not limited to, [*the Education Stability Fund established under*
 23 *ORS 348.696 and*] specific programs that support the following:

24 (A) Prekindergartens;

25 (B) Elementary and secondary schools;

26 (C) Community colleges;

27 (D) Higher education;

28 (E) Continuing education;

29 (F) Workforce training and education programs; or

30 (G) Financial assistance to Oregon students.

31 (c) "Furthering economic development" includes, but is not limited to, providing:

32 (A) Services or financial assistance to for-profit and nonprofit businesses located or to be lo-
 33 cated in Oregon;

34 (B) Services or financial assistance to business or industry associations to promote, expand or
 35 prevent the decline of their businesses; or

36 (C) Services or financial assistance for facilities, physical environments or development projects,
 37 as defined in ORS 285B.410, that benefit Oregon's economy.

38 **SECTION 3. The Legislative Assembly finds that use of net proceeds from the Oregon**
 39 **State Lottery to finance transportation projects, described in ORS 367.080, pursuant to ORS**
 40 **461.540 is essential to furthering economic development of this state, and the use of net lot-**
 41 **tery proceeds is authorized based on the following findings:**

42 (1) There is an urgent need to improve and expand publicly owned and privately owned
 43 transportation infrastructure to support economic development in this state.

44 (2) A safe, efficient and reliable transportation network supports the long-term economic
 45 development and livability of this state.

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

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

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

7 **(6) Public investment in transportation infrastructure will create jobs and further eco-**
 8 **nomical development in this state.**

9 **(7) The use of lottery proceeds as provided in this section will create jobs, further eco-**
 10 **nomical development, finance public education or restore and protect parks, beaches,**
 11 **watersheds and native fish and wildlife within this state, and the use of lottery proceeds for**
 12 **the purpose described in this section is therefore an appropriate use of state lottery funds**
 13 **under Article XV, section 4, of the Oregon Constitution, and ORS 461.510.**

14 **SECTION 4.** Section 3 of this 2013 Act applies to proceeds derived from the operation of
 15 **the Oregon State Lottery in the 2013-2015 biennium and subsequent biennia.**

16 **SECTION 5.** ORS 367.080 is amended to read:

17 367.080. (1) As used in ORS 367.080 to 367.086, "transportation project" has the meaning given
 18 that term in ORS 367.010.

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

23 (3) The department shall use moneys in the Multimodal Transportation Fund to provide grants
 24 and loans for transportation projects as provided in ORS 367.080 to 367.086. Grants and loans may
 25 be provided only for projects that involve one or more [*of the following*] modes of transportation[:]
 26 **described in subsections (4) and (5) of this section.**

27 **(4) Fifty percent of the moneys in the Multimodal Transportation Fund shall be used to**
 28 **provide grants and loans for projects that involve one or more of the following modes of**
 29 **transportation:**

- 30 (a) Air;
- 31 (b) Marine; **and**
- 32 (c) Rail **other than passenger rail.[: and]**
- 33 [*(d) Public transit.*]

34 **(5) Fifty percent of the moneys in the Multimodal Transportation Fund shall be used to**
 35 **provide grants and loans for projects that involve one or more of the following modes of**
 36 **transportation:**

- 37 **(a) Public transit;**
- 38 **(b) Passenger rail;**
- 39 **(c) Bicycle; and**
- 40 **(d) Pedestrian.**

41 [*(4)*] **(6)** All moneys received by the department as interest on loans made under this section and
 42 as repayment of principal of loans made under this section shall be deposited into the Multimodal
 43 Transportation Fund.

44 **SECTION 6.** ORS 367.082 is amended to read:

45 367.082. (1) Except as provided in subsection (2) of this section, the Department of Transporta-

tion may provide, from moneys in the Multimodal Transportation Fund established by ORS 367.080:

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

(b) Loans for transportation projects to public bodies, as defined in ORS 174.109, and to private entities.

(2) Grants and loans may not be made from the Multimodal Transportation Fund for transportation projects **described in ORS 367.080 (4)** that could constitutionally be funded by revenues described in **Article IX**, section 3a, [*Article IX*] of the Oregon Constitution.

(3) The Department of Transportation shall adopt rules:

(a) Specifying the process by which a public body or private entity may apply for a loan under this section and prescribing the terms and conditions of loans, including but not necessarily limited to interest rates and repayment schedules; and

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

SECTION 7. ORS 367.084 is amended to read:

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

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

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

(c) Prior to selecting public transit and rail projects, the commission shall solicit recommendations from its public transit and rail advisory committees.

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

(e) Prior to selecting bicycle and pedestrian projects, the commission shall solicit recommendations from an advisory committee selected by the department.

(3) In selecting transportation projects **described in ORS 367.080 (4)** the commission shall consider:

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

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

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

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

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

(4) In selecting transportation projects described in ORS 367.080 (5) the commission shall consider:

(a) Whether a proposed project results in an economic benefit to this state;

(b) Whether a proposed project improves community livability, safety and environmental sustainability;

(c) Whether a proposed project provides increased mobility or access to a transportation

1 system;

2 (d) Whether a proposed project contributes to a healthy, active lifestyle;

3 (e) How much of the cost of a proposed project could be paid by the applicant from other
4 sources; and

5 (f) Whether a proposed project is ready for construction.

6 (5) The commission shall distribute the moneys in the fund used for projects described
7 in ORS 367.080 (5) to each county based on the county's population, as determined under ORS
8 190.510 to 190.610 for the year immediately preceding apportionment of the moneys, relative
9 to the total population of the state.

10 **SECTION 8.** ORS 367.086 is amended to read:

11 367.086. [(1)] The Oregon Transportation Commission shall transfer moneys for aeronautic and
12 airport transportation projects selected under ORS 367.084 from the Multimodal Transportation
13 Fund to the [*Oregon Department of Aviation*] **Department of Transportation. The Department**
14 **of Transportation, after consultation with the Oregon Department of Aviation, [which]** shall
15 administer the projects. The amount transferred shall include moneys to pay administrative costs
16 incurred by the [*Oregon Department of Aviation*] **Department of Transportation** in carrying out
17 the provisions of ORS 367.080 to 367.086.

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

22 **SECTION 9.** This 2013 Act being necessary for the immediate preservation of the public
23 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
24 on its passage.