

Senate Bill 5533

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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**.

Increases amount of lottery bonds authorized to be issued by Oregon Business Development Department.

Authorizes issuance of various other lottery bonds.

Establishes funds, or provides for deposit of moneys into existing funds, and appropriates moneys for projects financed.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

1
2 Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and 530.181 and section
3 10, chapter 906, Oregon Laws 2009; appropriating money; and declaring an emergency.

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

5 **SECTION 1.** ORS 285B.551 is amended to read:

6 285B.551. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department
7 of Administrative Services, after the department consults with the Oregon Business Development
8 Department, the State Treasurer is authorized to issue lottery bonds:

9 (a) To provide financial and other assistance, including but not limited to loans and grants, to
10 municipalities, ports and other persons and entities in accordance with the laws governing use of
11 moneys in the Special Public Works Fund created by ORS 285B.455, the Water Fund created by ORS
12 285B.563, the Safe Drinking Water Revolving Loan Fund created by ORS 285A.213, the Oregon Port
13 Revolving Fund created by ORS 285A.708, the Brownfields Redevelopment Fund created by ORS
14 285A.188, the Oregon Business Development Fund created by ORS 285B.092 and the Marine Navi-
15 gation Improvement Fund created by ORS 777.267.

16 (b) To fund Oregon's share of the costs of the Columbia River channel deepening project.

17 (c) To fund Oregon's share of the costs of studies and ecosystem restoration projects in the
18 lower Columbia River estuary designed to improve habitat for listed endangered or threatened spe-
19 cies of Columbia River anadromous salmonids.

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

21 (a) The financial and other assistance to municipalities, ports and other persons and entities
22 will assist in the establishment and expansion of businesses in Oregon and in the construction, im-
23 provement and expansion of infrastructure, community and port facilities and other facilities that
24 comprise the physical foundation for industrial and commercial activity and provide the basic
25 framework for continued and expanded economic opportunities and quality communities throughout
26 Oregon.

27 (b) The Columbia River channel deepening project is necessary to allow newer, larger
28 steamships access to Oregon and Washington deep draft ports. A deeper shipping channel will allow

Note: For budget, see 2013-2015 Biennial Budget

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 the Columbia River to continue as a world leader in agricultural exports and as a key trade corridor
2 for farms and businesses throughout Oregon and the region.

3 (c) Such financial and other assistance to municipalities, ports and other persons and entities
4 and the deepening of the Columbia River channel will therefore promote economic development
5 within this state, and thus the use of net proceeds derived from the operation of the Oregon State
6 Lottery to pay debt service on lottery bonds issued under this section to provide such financial and
7 other assistance to municipalities, ports and other persons and entities and to pay a portion of the
8 costs of deepening the Columbia River channel is an authorized use of state lottery funds under
9 section 4, Article XV of the Oregon Constitution, and ORS 461.510.

10 (d) The current lower Columbia River estuary habitat for listed endangered or threatened spe-
11 cies of Columbia River anadromous salmonids could be improved through ecosystem restoration
12 projects. The use of the Oregon State Lottery to pay debt service on lottery bonds issued under this
13 section to pay for studying how the estuary could be improved and to pay for ecosystem restoration
14 projects are authorized uses of state lottery funds.

15 (3)(a) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of
16 this section for financial and other assistance to municipalities, ports and other persons and entities
17 may not exceed the sum of [~~\$276,226,252~~] **\$300,678,296** and an additional amount estimated by the
18 State Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery
19 bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening
20 project may not exceed the sum of \$17.7 million and an additional amount estimated by the State
21 Treasurer to be necessary to pay bond-related costs.

22 (b) The Oregon Department of Administrative Services may not request the issuance of lottery
23 bonds under subsection (1)(b) of this section until the Director of the Oregon Business Development
24 Department determines that a final environmental impact statement has been issued and a record
25 of decisions has been submitted to Congress by the United States Army Corps of Engineers, Con-
26 gress has authorized the Columbia River channel deepening project, and the Washington sponsors'
27 shares of the costs of the Columbia River channel deepening project have been committed.

28 (4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section
29 shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the
30 State Treasury separate and distinct from the General Fund. Interest earned by the Economic
31 Infrastructure Project Fund shall be credited to the fund. All moneys in the Economic Infrastructure
32 Project Fund are continuously appropriated to the Oregon Business Development Department for
33 any purpose for which moneys in the Special Public Works Fund created by ORS 285B.455 may be
34 used, any purpose for which moneys in the Water Fund created by ORS 285B.563 may be used, any
35 purpose for which moneys in the Safe Drinking Water Revolving Loan Fund created by ORS
36 285A.213 may be used, any purpose for which moneys in the Oregon Port Revolving Fund created
37 by ORS 285A.708 may be used, any purpose for which moneys in the Brownfields Redevelopment
38 Fund created by ORS 285A.188 may be used, any purpose for which moneys in the Oregon Business
39 Development Fund created by ORS 285B.092 may be used and any purpose for which moneys in the
40 Marine Navigation Improvement Fund created by ORS 777.267 may be used. The Director of the
41 Oregon Business Development Department shall allocate the moneys deposited in the Economic
42 Infrastructure Project Fund for the purposes described in this subsection in accordance with the
43 priorities developed by the Oregon Business Development Commission in accordance with ORS
44 285A.020. However, the director shall transfer from the Economic Infrastructure Project Fund and
45 deposit into the Channel Deepening Account of the Marine Navigation Improvement Fund the pro-

1 ceeds of any lottery bonds sold to finance a portion of the costs of the Columbia River channel
 2 deepening project. Upon determining the relative allocation of moneys deposited in the Economic
 3 Infrastructure Project Fund among the purposes described in this subsection, the director shall
 4 transfer from the Economic Infrastructure Project Fund, and deposit into each of the other funds
 5 described in this subsection, the amounts so allocated. Notwithstanding any other provision of law
 6 governing the funds described in this subsection, the funds described in this subsection may be
 7 credited with moneys transferred from the Economic Infrastructure Project Fund by the director in
 8 accordance with this subsection.

9 (5) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(c) of this
 10 section for the costs of studies and ecosystem restoration projects in the lower Columbia River
 11 estuary may not exceed the sum of \$750,000 and an additional amount estimated by the State
 12 Treasurer to be necessary to pay bond-related costs. The net proceeds of lottery bonds issued pur-
 13 suant to subsection (1)(c) of this section shall be deposited in the Oregon Business, Innovation and
 14 Trade Fund created by ORS 285A.227 and may be used only for the Oregon nonfederal share of
 15 United States Army Corps of Engineers Columbia River estuary projects authorized by Congress
 16 prior to August 9, 2001. The director may not request the issuance of lottery bonds under subsection
 17 (1)(c) of this section until Congress and Washington have authorized their respective shares of the
 18 costs of the studies and ecosystem restoration projects in the lower Columbia River estuary.

19 (6) The proceeds of lottery bonds issued pursuant to this section may be used only for the pur-
 20 poses set forth in this section and for bond-related costs.

21 **SECTION 2. (1) For the biennium beginning July 1, 2013, at the request of the Oregon**
 22 **Department of Administrative Services, after the department consults with the Oregon**
 23 **Business Development Department, the State Treasurer is authorized to issue lottery bonds**
 24 **pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$50 million in net proceeds**
 25 **and interest earnings for the purposes described in subsections (2) and (3) of this section,**
 26 **plus an additional amount estimated by the State Treasurer to be necessary to pay bond-**
 27 **related costs.**

28 (2) Net proceeds of lottery bonds issued under this section and interest earnings in an
 29 amount sufficient to provide \$20 million must be transferred to the Oregon Business Devel-
 30 opment Department to provide grants and loans to local governments for infrastructure
 31 projects including long-range planning, research and design. Such grants and loans are to
 32 be allocated by region and based on recommendations of regionally-based planning commit-
 33 tees designated by the department.

34 (3) Net proceeds of lottery bonds issued under this section and interest earnings in an
 35 amount sufficient to provide \$30 million must be transferred to the department to provide
 36 grants and loans to local governments for regional development initiatives, including but not
 37 limited to infrastructure related to industrial development sites, local government facilities
 38 improvements, water storage and delivery, and planning and design activities.

39 (4) Grants or loans for purposes described in subsection (3) of this section shall be based
 40 on recommendations and approval of a regionally-based planning committee designated by
 41 the department and the Director of the Oregon Department of Administrative Services or
 42 their designee.

43 (5) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
 44 further economic development, finance public education or restore and protect parks,
 45 beaches, watersheds and native fish and wildlife, and is authorized based on the following

1 findings:

2 (a) Infrastructure projects will create jobs;

3 (b) Regional planning efforts will be a resource to promote and focus attention on the
4 development of both individual regions and the state; and5 (c) Integrated development of infrastructure will establish a foundation for expanding
6 existing businesses as well as developing and attracting new businesses.7 **SECTION 3.** (1) The Regional Infrastructure Fund is established in the State Treasury,
8 separate and distinct from the General Fund. Interest earned on the moneys in the Regional
9 Infrastructure Fund shall be credited to the fund. The Regional Infrastructure Fund consists
10 of moneys deposited in the fund under section 2 of this 2013 Act and may include fees, re-
11 venues or other income deposited into the fund by the Legislative Assembly.12 (2) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
13 ment Department for disbursement to local governments for the purposes set forth in sec-
14 tion 2 of this 2013 Act.15 **SECTION 4.** (1) The Director of the Oregon Business Development Department, in ac-
16 cordance with ORS chapter 183, shall adopt rules necessary to administer sections 2 and 3
17 of this 2013 Act. The rules shall address procedures for authorizing infrastructure planning
18 and research efforts, developing and evaluating grant and loan applications, awarding grants
19 and loans from the Regional Infrastructure Fund and administering a grant and loan review
20 committee, and may include other provisions the director determines necessary or conven-
21 ient for the Oregon Business Development Department to perform its duties and responsi-
22 bilities under sections 2 and 3 of this 2013 Act.23 (2) The rules must be developed in consultation with the Director of the Oregon Depart-
24 ment of Administrative Services or the director's designee.25 **SECTION 5.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon
26 Department of Administrative Services, after the department consults with the Oregon
27 Business Development Department, the State Treasurer is authorized to issue lottery bonds
28 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$5.4 million in net proceeds
29 and interest earnings for the purposes described in subsections (2) and (3) of this section,
30 plus an additional amount estimated by the State Treasurer to be necessary to pay bond-
31 related costs.32 (2) Net proceeds of lottery bonds issued under this section and interest earnings in an
33 amount sufficient to provide \$4 million must be transferred to the Oregon Business Develop-
34 ment Department to provide funding for implementation of collaborative forest projects
35 to increase the timber supply from federal lands to mills in central, southern and eastern
36 Oregon. The department shall prioritize or limit funding to projects where the federal agency
37 responsible for management of the lands has developed a means of assuring a long-term
38 supply of timber from one or more collaborative projects to one or more key mills that pro-
39 vide employment for Oregon communities.40 (3) Net proceeds of lottery bonds issued under this section and interest earnings in an
41 amount sufficient to provide \$1.4 million must be transferred to the department to provide
42 funding for collaborative forest projects on Oregon & California lands in western Oregon that
43 are designed to result in increased timber supply from such lands.44 (4) Grants or loans provided under subsections (2) and (3) of this section must be based
45 on criteria established by the Oregon Business Development Department in consultation with

1 the State Forestry Department. All grants and loans must be approved by the Director of
2 the Oregon Business Development Department and the State Forester.

3 (5) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
4 further economic development, finance public education or restore and protect parks,
5 beaches, watersheds and native fish and wildlife, and is authorized based on the following
6 findings:

7 (a) Collaborative projects to increase timber supply will create jobs;

8 (b) Effective stewardship of the environment contributes to the economic viability of
9 communities;

10 (c) Prudent management of forests through collaborative planning efforts will provide
11 resources to promote and focus attention on the development of both individual regions and
12 the state; and

13 (d) Collaborative forest projects will promote economic activity and utilize existing re-
14 sources in communities with timber and other natural resources.

15 **SECTION 6.** (1) The Forests Partnership Fund is established in the State Treasury, sep-
16 arate and distinct from the General Fund. Interest earned on the moneys in the Forests
17 Partnership Fund shall be credited to the fund. The Forests Partnership Fund consists of
18 moneys deposited in the fund under section 5 of this 2013 Act and may include fees, revenues
19 or other income deposited into the fund by the Legislative Assembly.

20 (2) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
21 ment Department for disbursement for the purposes set forth in section 5 of this 2013 Act.

22 **SECTION 7.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon
23 Department of Administrative Services, after the department consults with the Oregon
24 Business Development Department, the State Treasurer is authorized to issue lottery bonds
25 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1.75 million in net pro-
26 ceeds and interest earnings for transfer to the Oregon Business Development Department
27 to provide grants to support arts or cultural projects that contribute to the economic de-
28 velopment of a community or region, plus an additional amount estimated by the State
29 Treasurer to be necessary to pay bond-related costs.

30 (2) Grants made under this section must be approved by the Trust for Cultural Develop-
31 ment Board. For the purpose of carrying out the objectives of this section, a joint committee
32 of the Trust for Cultural Development Board and the Oregon Arts Commission may disburse
33 funds directly to a cultural nonprofit working with partners from public, private, nonprofit,
34 tribal or community sectors to strategically shape the economic, physical and social char-
35 acter of a neighborhood, town, tribe, city or region around arts and cultural activities.

36 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
37 further economic development, finance public education or restore and protect parks,
38 beaches, watersheds and native fish and wildlife, and is authorized based on the following
39 findings:

40 (a) Leveraging art and cultural resources to generate economic vitality through tourism
41 and the development of arts and cultural attractions assist in job creation; and

42 (b) The creation of vibrant public spaces integrated with cultural and natural amenities
43 contributes to improved quality of life, the sustainability of Oregon's rich arts and cultural
44 experiences, expanded business and tax revenues and stronger community identity and a
45 sense of place.

1 **SECTION 8.** (1) The Cultural Resources Economic Fund is established in the State
2 Treasury, separate and distinct from the General Fund. Interest earned on the moneys in
3 the Cultural Resources Economic Fund shall be credited to the fund. The Cultural Resources
4 Economic Fund consists of moneys deposited in the fund under section 7 of this 2013 Act and
5 may include fees, revenues or other income deposited into the fund by the Legislative As-
6 sembly.

7 (2) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
8 ment Department for disbursement for the purposes set forth in section 7 of this 2013 Act.

9 **SECTION 9.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon
10 Department of Administrative Services, after the department consults with the State De-
11 partment of Fish and Wildlife, the State Treasurer is authorized to issue lottery bonds pur-
12 suant to ORS 286A.560 to 286A.585 in an amount that produces \$1.6 million in net proceeds
13 and interest earnings for the purposes described in subsection (2) of this section, plus an
14 additional amount estimated by the State Treasurer to be necessary to pay bond-related
15 costs.

16 (2) Net proceeds of lottery bonds issued under this section and interest earnings in an
17 amount sufficient to provide \$1.6 million must be transferred to the State Department of
18 Fish and Wildlife to provide assistance for enhancement and development of Oregon
19 fisheries, including collaborative efforts to create systems or incentives to improve fish
20 populations in Oregon waters.

21 (3) Grants or loans provided under subsection (2) of this section must be based on criteria
22 established by the State Department of Fish and Wildlife in consultation with the Director
23 of the Oregon Department of Administrative Services. All grants and loans must be approved
24 by the State Fish and Wildlife Director and the Director of the Oregon Department of Ad-
25 ministrative Services.

26 (4) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
27 further economic development, finance public education or restore and protect parks,
28 beaches, watersheds and native fish and wildlife, and is authorized based on the following
29 findings:

30 (a) Increased fish populations resulting from enhanced hatcheries and other actions to
31 improve conditions for fish populations will create jobs; and

32 (b) Actions contemplated by this section to maintain or increase fish populations and to
33 enhance conditions for the improvement of fish populations will serve to protect native fish.

34 **SECTION 10.** (1) The Fisheries Enhancement Fund is established in the State Treasury,
35 separate and distinct from the General Fund. Interest earned on the moneys in the Fisheries
36 Enhancement Fund shall be credited to the fund. The Fisheries Enhancement Fund consists
37 of moneys deposited in the fund under section 9 of this 2013 Act and may include fees, re-
38 venues or other income deposited into the fund by the Legislative Assembly.

39 (2) Moneys in the fund are continuously appropriated to the State Department of Fish
40 and Wildlife for disbursement for the purposes set forth in section 9 of this 2013 Act.

41 **SECTION 11.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon
42 Department of Administrative Services, after the department consults with the Water Re-
43 sources Department, the State Treasurer is authorized to issue lottery bonds pursuant to
44 ORS 286A.560 to 286A.585 in an amount that produces \$10,850,000 in net proceeds and interest
45 earnings for the purposes described in subsection (2) of this section, plus an additional

1 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

2 (2) Net proceeds of lottery bonds issued under this section and interest earnings must
3 be transferred to the Water Resources Department for deposit in the Water Resources De-
4 partment Water Supply Fund established under section 10, chapter 906, Oregon Laws 2009,
5 in an amount sufficient to provide by grant, loan or otherwise:

6 (a) \$850,000 in net proceeds and interest earnings for feasibility studies for water con-
7 servation, reuse and storage projects.

8 (b) \$10,000,000 in net proceeds and interest earnings to develop and implement water
9 storage systems and delivery infrastructure, implement conservation and reuse projects, and
10 provide access to new water supplies.

11 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
12 further economic development, finance public education or restore and protect parks,
13 beaches, watersheds and native fish and wildlife, and is authorized based on the following
14 findings:

15 (a) Adequate drinking water systems, irrigation, drainage and healthy ecosystems en-
16 hance community development and encourage economic growth.

17 (b) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems
18 is essential to Oregon's economic growth.

19 (c) Assisting local governments to mitigate losses resulting from reduced water supply
20 for irrigation and retirement of water rights will enhance community efforts to facilitate and
21 promote economic growth.

22 **SECTION 12.** Section 10, chapter 906, Oregon Laws 2009, as amended by section 5, chapter 624,
23 Oregon Laws 2011, is amended to read:

24 **Sec. 10.** (1) The Water Resources Department Water Supply Fund is established separate and
25 distinct from the General Fund. Interest earned on moneys deposited in the Water Resources De-
26 partment Water Supply Fund shall be credited to the fund. Moneys in the fund are continuously
27 appropriated to the Water Resources Department.

28 (2) The Water Resources Department Water Supply Fund consists of:

29 (a) Net proceeds of lottery bonds issued pursuant to sections 8 and 9, chapter 906, Oregon Laws
30 2009, deposited into the Water Resources Department Water Supply Fund for the following purposes:

31 (A) \$2,500,000 for the purposes of issuing grants to develop Umatilla Basin critical ground water
32 storage projects described in section 17, chapter 907, Oregon Laws 2009, and to provide or pay for
33 services in connection with those projects.

34 (B) \$217,000 to pay for the operation of loan and grant programs under sections 18 to 27, chapter
35 907, Oregon Laws 2009.

36 (C) \$283,000 for the purpose of developing an integrated state water resources strategy to im-
37 plement the state water resources policy pursuant to ORS 536.220 and section 45, chapter 907,
38 Oregon Laws 2009.

39 (D) \$500,000 for purposes of the grant program established by section 1, chapter 13, Oregon
40 Laws 2008.

41 (b) Net proceeds of lottery bonds issued pursuant to section 4, **chapter 624, Oregon Laws 2011,**
42 *[of this 2011 Act]* in an amount sufficient to provide \$1,229,052 in net proceeds and interest earnings
43 for the department to finance grants for feasibility studies for water conservation, reuse and storage
44 projects.

45 (c) Net proceeds of lottery bonds issued pursuant to section 11 of this 2013 Act in an

1 amount sufficient to provide \$10,000,000 in net proceeds and interest earnings to develop and
2 implement water storage systems and delivery infrastructure, implement conservation and
3 reuse projects, and provide new access to water supplies.

4 (d) Net proceeds of lottery bonds issued pursuant to section 11 of this 2013 Act in an
5 amount sufficient to provide \$850,000 in net proceeds and interest earnings for feasibility
6 studies for water conservation, reuse and storage projects.

7 [(c)] (e) Any other fees, revenues or income deposited in the fund by the Legislative Assembly.

8 **SECTION 13.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon
9 Department of Administrative Services, after the department consults with the State De-
10 partment of Energy, the State Treasurer is authorized to issue lottery bonds pursuant to
11 ORS 286A.560 to 286A.585 in an amount that produces \$10 million in net proceeds and interest
12 earnings for the purposes described in subsection (2) of this section, plus an additional
13 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

14 (2) Net proceeds of lottery bonds issued under this section and interest earnings must
15 be transferred to the State Department of Energy in an amount sufficient to provide:

16 (a) \$5 million in net proceeds and interest earnings for deposit in the Jobs, Energy and
17 Schools Fund established in ORS 470.575 for the purposes described in ORS 470.575.

18 (b) \$5 million in net proceeds and interest earnings for deposit in the Small Scale Local
19 Energy Project Administration and Bond Sinking Fund established under ORS 470.300 for the
20 purposes described in ORS 470.300.

21 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
22 further economic development, finance public education or restore and protect parks,
23 beaches, watersheds and native fish and wildlife, and is authorized based on the following
24 findings:

25 (a) Increasing and promoting energy efficiency in structures and operations statewide
26 increases economic development and energy conservation, and expands opportunities for new
27 and emerging industries in Oregon.

28 (b) The projects made possible through increased funding of energy efficiency programs
29 and of the Small Scale Local Energy Project Administration and Bond Sinking Fund will
30 create jobs and further economic development.

31 **SECTION 14.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon
32 Department of Administrative Services, after the department consults with the State Board
33 of Forestry, the State Treasurer is authorized to issue lottery bonds pursuant to ORS
34 286A.560 to 286A.585 in an amount that produces \$7.6 million in net proceeds and interest
35 earnings for the purpose described in subsection (2) of this section, plus an additional amount
36 estimated by the State Treasurer to be necessary to pay bond-related costs.

37 (2) Notwithstanding ORS 526.060, net proceeds of lottery bonds issued under this section
38 and interest earnings in an amount sufficient to provide \$7.6 million must be transferred to
39 the State Board of Forestry for deposit in the State Forest Acquisition Fund established
40 under ORS 530.181 for the purpose of acquiring parcels in the Gilchrist area of Klamath
41 County for use as state forestland.

42 (3) The Legislative Assembly finds that:

43 (a) The Gilchrist area of Klamath County is an economically stressed region;

44 (b) State acquisition of parcels in the Gilchrist area of Klamath County for management
45 as state forestland would produce economic benefits for the area, including but not limited

1 to income from the harvest of forest products and direct employment and economic benefit
2 from processing harvested forest products;

3 (c) State acquisition of parcels in the Gilchrist area of Klamath County and management
4 of those parcels as state forestland will result in increased employment in the tourism in-
5 dustry and other industries related to the development of recreational attractions on parcels;

6 (d) There exists a substantial risk that failure to acquire certain parcels in the Gilchrist
7 area of Klamath County for use as state forestland will result in the parcels being converted
8 to nonforest use, resulting in the loss of existing forest industry jobs and existing jobs in
9 related industries in the area; and

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

15 **SECTION 15.** ORS 530.181 is amended to read:

16 530.181. The State Forest Acquisition Fund is established in the State Treasury, separate and
17 distinct from the General Fund. The State Forest Acquisition Fund shall consist of moneys depos-
18 ited in the fund under section 13, chapter 906, Oregon Laws 2009, [and] section 16, chapter 624,
19 Oregon Laws 2011, and section 14 of this 2013 Act and may include fees, revenues or other income
20 deposited into the fund by the Legislative Assembly. The moneys in the State Forest Acquisition
21 Fund and the interest earnings on moneys in the fund are continuously appropriated to the State
22 Board of Forestry for the purpose of acquiring parcels in the Gilchrist area of Klamath County for
23 use as state forestland.

24 **SECTION 16. (1) For the biennium beginning July 1, 2013, at the request of the Oregon**
25 **Department of Administrative Services, after the department consults with the State Parks**
26 **and Recreation Department, the State Treasurer is authorized to issue lottery bonds pursu-**
27 **ant to ORS 286A.560 to 286A.585 in an amount that produces \$5 million in net proceeds and**
28 **interest earnings for the purposes described in subsection (2) of this section, plus an addi-**
29 **tional amount estimated by the State Treasurer to be necessary to pay bond-related costs.**

30 (2) Net proceeds of lottery bonds issued under this section and interest earnings in an
31 amount sufficient to provide \$5 million must be transferred to the State Department of
32 Parks and Recreation to provide assistance for land acquisition, improvements, rehabilitation
33 and enhancement of the area in Clackamas County in or around the area including
34 Willamette Falls.

35 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
36 further economic development, finance public education or restore and protect parks,
37 beaches, watersheds and native fish and wildlife, and is authorized because:

38 (a) Improving the area around Willamette Falls will enhance the economic viability of the
39 region, create jobs and improve the quality of life for the community.

40 (b) The project will have a positive impact on the local environment including the
41 watershed in the immediate area.

42 **SECTION 17. (1) The Willamette Falls Park Fund is established in the State Treasury,**
43 **separate and distinct from the General Fund. Interest earned on moneys in the Willamette**
44 **Falls Park Fund shall be credited to the fund. The Willamette Falls Park Fund consists of**
45 **moneys deposited in the fund under section 16 of this 2013 Act and may include fees, reven-**

1 ues or other income deposited into the fund by the Legislative Assembly.

2 (2) Moneys in the fund are continuously appropriated to the State Department of Parks
3 and Recreation for purposes described in section 16 of this 2013 Act.

4 **SECTION 18.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon
5 Department of Administrative Services, in consultation with the Department of Transporta-
6 tion, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to
7 286A.585 in an amount that produces \$22 million in net proceeds and interest earnings for
8 the purpose described in subsection (2) of this section, plus an additional amount estimated
9 by the State Treasurer to be necessary to pay bond-related costs.

10 (2) Net proceeds of lottery bonds issued pursuant to this section and interest earnings
11 must be transferred to the Department of Transportation for deposit in the Multimodal
12 Transportation Fund established under ORS 367.080 in an amount sufficient to provide \$22
13 million for the department to finance grants and loans for transportation projects as pro-
14 vided in ORS 367.080 to 367.086.

15 (3) Bond-related costs for the lottery bonds authorized by this section must be paid from
16 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
17 286A.576 (1)(c).

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

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

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

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

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

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

31 (f) Public investment in transportation infrastructure will create jobs and further eco-
32 nomic development in this state.

33 (g) The use of lottery bond proceeds as provided in this section will create jobs, further
34 economic development, finance public education or restore and protect parks, beaches,
35 watersheds, and native fish and wildlife within Oregon, and issuance of lottery bonds for the
36 purpose described in this section is therefore an appropriate use of state lottery funds under
37 Article XV, section 4, of the Oregon Constitution, and ORS 461.510.

38 **SECTION 19.** To the extent that proposed transportation projects meet the qualifications
39 established by the Oregon Transportation Commission by rule, the commission shall allocate
40 at least 10 percent of the net proceeds of the lottery bonds authorized by section 18 of this
41 2013 Act to each region described in this section. For purposes of this section, the regions
42 are as follows:

43 (1) Region one consists of Clackamas, Columbia, Hood River, Multnomah and Washington
44 Counties.

45 (2) Region two consists of Benton, Clatsop, Lane, Lincoln, Linn, Marion, Polk, Tillamook

1 **and Yamhill Counties.**

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

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

5 **(5) Region five consists of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union and**
6 **Wallowa Counties.**

7 **SECTION 20. This 2013 Act being necessary for the immediate preservation of the public**
8 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
9 **July 1, 2013.**

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