

Senate Bill 5530

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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 for Oregon Business Development Department and Housing and Community Services 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, 2017.

A BILL FOR AN ACT

1
2 Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and section 4, chapter
3 906, Oregon Laws 2009, and section 3, chapter 786, Oregon Laws 2013; and declaring an emer-
4 gency.

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

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

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

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

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

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

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

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

28 (b) The Columbia River channel deepening project is necessary to allow newer, larger

Note: For budget, see 2017-2019 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 steamships access to Oregon and Washington deep draft ports. A deeper shipping channel will allow
2 the Columbia River to continue as a world leader in agricultural exports and as a key trade corridor
3 for farms and businesses throughout Oregon and the region.

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

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

16 (3)(a) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of
17 this section for financial and other assistance to municipalities, ports and other persons and entities
18 may not exceed the sum of [~~\$306,226,252~~] **\$356,226,252** and an additional amount estimated by the
19 State Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery
20 bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening
21 project may not exceed the sum of \$17.7 million and an additional amount estimated by the State
22 Treasurer to be necessary to pay bond-related costs.

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

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

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

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

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

22 **SECTION 2. (1) Net proceeds of lottery bonds issued under ORS 285B.551 in an amount**
23 **sufficient to provide \$10 million in net proceeds and interest earnings must be transferred**
24 **to the Oregon Business Development Department for deposit in the Levee Project Subac-**
25 **count, established in ORS 285B.456, for the purpose of providing financial assistance under**
26 **ORS 285B.410 to 285B.482 for levee projects, as defined in ORS 285B.410.**

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

31 **(a) Levees are an integral part of the commercial and industrial infrastructure of this**
32 **state.**

33 **(b) The inspection, accreditation, certification and repair of levees will promote economic**
34 **development within this state.**

35 **SECTION 3. (1) For the biennium beginning July 1, 2017, at the request of the Oregon**
36 **Department of Administrative Services, after the department consults with the Oregon**
37 **Business Development Department, the State Treasurer is authorized to issue lottery bonds**
38 **pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$11 million in net proceeds**
39 **and interest earnings for the purposes described in subsection (2) of this section, plus an**
40 **additional amount estimated by the State Treasurer to be necessary to pay bond-related**
41 **costs.**

42 **(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to**
43 **provide \$11 million in net proceeds and interest earnings must be transferred to the Oregon**
44 **Business Development Department for deposit in the Regional Infrastructure Fund estab-**
45 **lished in section 3, chapter 786, Oregon Laws 2013, to provide grants and loans to local gov-**

1 ernments for infrastructure projects, including long-range planning, research and design.
 2 The grants and loans are to be allocated by region and based on recommendations of re-
 3 gionally based planning committees designated by the department.

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

8 (a) Infrastructure projects will create jobs; and

9 (b) Integrated development of infrastructure will establish a foundation for expanding
 10 existing businesses and for developing and attracting new businesses.

11 **SECTION 4.** Section 3, chapter 786, Oregon Laws 2013, is amended to read:

12 **Sec. 3.** (1) The Regional Infrastructure Fund is established in the State Treasury, separate and
 13 distinct from the General Fund. Interest earned on the moneys in the Regional Infrastructure Fund
 14 shall be credited to the fund. The Regional Infrastructure Fund consists of moneys deposited in the
 15 fund under section 2, chapter 786, Oregon Laws 2013, and section 2 [of this 2015 Act], **chapter 812,**
 16 **Oregon Laws 2015, and section 3 of this 2017 Act,** and may include fees, revenues or other income
 17 deposited into the fund by the Legislative Assembly.

18 (2) Moneys in the fund are continuously appropriated to the Oregon Business Development De-
 19 partment for disbursement to local governments for the purposes set forth in section 2, chapter 786,
 20 Oregon Laws 2013, and section 2 [of this 2015 Act], **chapter 812, Oregon Laws 2015, and section**
 21 **3 of this 2017 Act.**

22 **SECTION 5.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon
 23 Department of Administrative Services, after the department consults with the Water Re-
 24 sources Department, the State Treasurer is authorized to issue lottery bonds pursuant to
 25 ORS 286A.560 to 286A.585 in an amount that produces \$30 million in net proceeds and interest
 26 earnings for the purposes described in subsection (2) of this section, plus an additional
 27 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

28 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
 29 provide \$30 million in net proceeds and interest earnings must be transferred to the Water
 30 Resources Department for deposit in the Water Supply Development Account, established in
 31 ORS 541.656, to provide grants or loans to evaluate, plan and develop in-stream and out-of-
 32 stream statewide water development projects.

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

37 (a) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems
 38 enhances community development and supports Oregon's economic growth.

39 (b) Assisting local governments to mitigate losses resulting from reduced water supply
 40 for irrigation and retirement of water rights will enhance community efforts to facilitate and
 41 promote economic growth.

42 **SECTION 6.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon
 43 Department of Administrative Services, after the department consults with the Water Re-
 44 sources Department, the State Treasurer is authorized to issue lottery bonds pursuant to
 45 ORS 286A.560 to 286A.585 in an amount that produces \$2 million in net proceeds and interest

1 earnings for the purposes described in subsection (2) of this section, plus an additional
2 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

3 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
4 provide \$2 million in net proceeds and interest earnings must be transferred to the Water
5 Resources Department for deposit in the Water Conservation, Reuse and Storage Investment
6 Fund, established in ORS 541.576, to be used to pay the qualifying costs of planning studies
7 performed to evaluate the feasibility of developing water conservation, reuse or storage
8 projects.

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

13 (a) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems
14 enhances community development and supports Oregon's economic growth.

15 (b) Assisting local governments to mitigate losses resulting from reduced water supply
16 for irrigation and retirement of water rights will enhance community efforts to facilitate and
17 promote economic growth.

18 **SECTION 7.** Section 4, chapter 906, Oregon Laws 2009, as amended by section 3, chapter 624,
19 Oregon Laws 2011, section 19, chapter 786, Oregon Laws 2013, section 15, chapter 121, Oregon Laws
20 2014, section 37, chapter 812, Oregon Laws 2015, and section 4, chapter 66, Oregon Laws 2016, is
21 amended to read:

22 **Sec. 4.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of
23 Administrative Services, after the department consults with the Housing and Community Services
24 Department, the State Treasurer is authorized to issue lottery bonds for the Housing and Community
25 Services Department to provide financial assistance to aid in the acquisition, renovation or mainte-
26 nance of section 8 housing or other housing with federal rent subsidies.

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

28 (a) Individuals who are at risk of homelessness or who otherwise pay a disproportionate share
29 of income for housing increase their potential for self-sufficiency, and use proportionately fewer
30 community-funded resources when they are provided a stable housing environment.

31 (b) Having housing for at-risk populations is essential to Oregon's healthy economic growth.

32 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this
33 section may not exceed the amount of [~~\$33,801,718~~] **\$41,301,718** plus an additional amount estimated
34 by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

35 **SECTION 8.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon
36 Department of Administrative Services, in consultation with the Department of Transporta-
37 tion, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to
38 286A.585 in an amount that produces \$71,146,408 in net proceeds and interest earnings for the
39 purpose described in subsection (2) of this section, plus an additional amount estimated by
40 the State Treasurer to be necessary to pay bond-related costs.

41 (2) Net proceeds of lottery bonds issued pursuant to this section and interest earnings
42 must be transferred to the Department of Transportation for deposit in the Connect Oregon
43 Fund established under ORS 367.080 in an amount sufficient to provide \$71,146,408 for the
44 department to finance grants for transportation projects as provided in ORS 367.080 to
45 367.086.

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

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

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

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

11 (c) A multimodal network of transportation options moves people and goods efficiently.

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

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

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

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

23 **SECTION 9.** To the extent that proposed transportation projects meet the qualifications
 24 established by the Oregon Transportation Commission by rule, the commission shall allocate
 25 at least 10 percent of the net proceeds of the lottery bonds authorized by section 8 of this
 26 2017 Act to each region described in this section. For purposes of this section, the regions
 27 are as follows:

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

29 (2) Region two consists of Benton, Clatsop, Columbia, Lane, Lincoln, Linn, Marion, Polk,
 30 Tillamook and Yamhill Counties.

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

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

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

36 **SECTION 10.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon
 37 Department of Administrative Services, after the department consults with the Higher Edu-
 38 cation Coordinating Commission, the State Treasurer is authorized to issue lottery bonds
 39 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$15 million in net proceeds
 40 and interest earnings for the purposes described in subsection (2) of this section, plus an
 41 additional amount estimated by the State Treasurer to be necessary to pay bond-related
 42 costs.

43 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
 44 provide \$15 million in net proceeds and interest earnings must be transferred to the Higher
 45 Education Coordinating Commission for deposit in the Community College and Public Uni-

1 versity Campus Safety and Security Fund, established under section 11 of this 2017 Act, to
2 provide grant funding to community colleges and public universities for improvements to
3 campus safety and security.

4 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
5 further economic development, finance public education or restore and protect parks,
6 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that
7 promoting safe and secure campus facilities for students and faculty will support public ed-
8 ucation.

9 **SECTION 11.** (1) The Community College and Public University Campus Safety and Se-
10 curity Fund is established in the State Treasury, separate and distinct from the General
11 Fund. Interest earned on moneys in the Community College and Public University Campus
12 Safety and Security Fund shall be credited to the fund. The Community College and Public
13 University Campus Safety and Security Fund consists of moneys deposited in the fund under
14 section 10 of this 2017 Act and may include fees, revenues or other income deposited into the
15 fund by the Legislative Assembly.

16 (2) Moneys in the fund are continuously appropriated to the Higher Education Coordi-
17 nating Commission for purposes described in section 10 of this 2017 Act.

18 **SECTION 12.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon
19 Department of Administrative Services, after the department consults with the Department
20 of Environmental Quality, the State Treasurer is authorized to issue lottery bonds pursuant
21 to ORS 286A.560 to 286A.585 in an amount that produces \$10 million in net proceeds and in-
22 terest earnings for the purposes described in subsection (2) of this section, plus an additional
23 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

24 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
25 provide \$10 million in net proceeds and interest earnings must be transferred to the De-
26 partment of Environmental Quality for deposit in the Portland Harbor Cleanup Fund, estab-
27 lished in section 13 of this 2017 Act, to provide financial assistance to conduct baseline
28 sampling to determine levels of contamination and develop design specifications for the re-
29 mediation of contamination in the Portland Harbor.

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

34 (a) Having healthy ecosystems supports Oregon's economic growth and restores
35 watersheds and habitat for native fish.

36 (b) Assisting with the initial planning for cleanup of this superfund site and coordinating
37 efforts with the Port of Portland and other possible responsible parties will enhance com-
38 munity efforts to facilitate and promote economic growth.

39 **SECTION 13.** (1) The Portland Harbor Cleanup Fund is established in the State Treasury,
40 separate and distinct from the General Fund. The Portland Harbor Cleanup Fund consists
41 of moneys deposited in the fund under section 12 of this 2017 Act and may include moneys
42 appropriated, allocated, deposited or transferred to the fund by the Legislative Assembly or
43 otherwise and interest earned on moneys in the fund.

44 (2) Moneys in the fund are continuously appropriated to the Department of Environ-
45 mental Quality for disbursement for the purposes set forth in section 12 of this 2017 Act.

1 **SECTION 14. This 2017 Act being necessary for the immediate preservation of the public**
2 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**
3 **July 1, 2017.**

4
