House Bill 3392

Sponsored by Representatives SMITH G, GOMBERG

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.

Creates Short Line Railroad Resiliency Program within Oregon Business Development Department to provide grants for short line railroad infrastructure projects.

Establishes Short Line Railroad Fund. Authorizes issuance of $5 million in lottery bonds for deposit in fund to be used to provide grants for short line railroad infrastructure projects.

Directs department to study and make recommendations for legislation to provide long-term revenue source to finance grants for short line railroad infrastructure projects.

Declares emergency, effective July 1, 2021.

A BILL FOR AN ACT

Relating to short line railroads; and declaring an emergency.

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

SECTION 1. (1) As used in this section:

(a) “Infrastructure” includes tracks, switches, sidings, roadbeds, railroad bridges and industrial leads owned by a short line railroad.

(b) “Short line railroad” means a class II or class III railroad as defined in 49 C.F.R. 1201.

(c) “Short line railroad infrastructure project” means a project that involves the construction, maintenance, reconstruction or replacement of infrastructure.

(2) The Short Line Railroad Fund is established separate and distinct from the General Fund. Earnings on moneys in the Short Line Railroad Fund shall be deposited into the fund. Moneys in the Short Line Railroad Fund are continuously appropriated to the Oregon Business Development Department for the purposes of carrying out the provisions of this section.

(3) There is created within the department the Short Line Railroad Resiliency Program. The program’s purpose is to fund short line railroad infrastructure projects. As part of the program, the department shall use moneys in the Short Line Railroad Fund to finance grants to support short line railroad infrastructure projects.

(4) The department shall convene a short line railroad advisory group. The advisory group shall consist of three representatives of short line railroads. The Director of the Oregon Business Development Department shall select members that:

(a) Represent short line railroads that operate in this state.

(b) Have extensive involvement in the short line railroad industry.

(c) Have extensive experience participating in successful public-private partnerships with state and federal government agencies.

(5) The advisory group shall assist the department in developing the criteria for use by the department in selecting short line railroad infrastructure projects to be awarded grants under this section.

(6) After consulting with the short line railroad advisory group, the department shall
adopt rules specifying the process by which a short line railroad may apply for a grant under this section and prescribing the terms and conditions of grants. An applicant receiving a grant shall be required to provide 25 percent of the moneys required for the short line railroad infrastructure project.

(7) The department, in collaboration with the short line railroad advisory group, shall select the short line railroad infrastructure projects to be funded with moneys in the Short Line Railroad Fund.

(8) In selecting short line railroad infrastructure projects, the department shall prioritize projects that:

(a) Enhance Oregon’s short line rail network capacity;

(b) Improve Oregon’s integration of the short line rail network with the national rail network;

(c) Decrease the environmental impact associated with transportation of freight in Oregon by transporting more freight by rail;

(d) Improve the resilience of short line railroads in Oregon; and

(e) Provide a positive economic impact in Oregon by improving the capacity of short line railroads.

SECTION 2. (1) For the biennium beginning July 1, 2021, at the request of the Oregon Business Development Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces $5 million in net proceeds and interest earnings for the purposes described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide $5 million in net proceeds and interest earnings must be transferred to the Oregon Business Development Department for deposit in the Short Line Railroad Fund established under section 1 of this 2021 Act, to finance grants for short line railroad infrastructure projects as provided in section 1 of this 2021 Act.

(3) Lottery bonds authorized under this section must be issued no later than June 30, 2022.

(4) The Legislative Assembly finds that short line railroads are a vital component of the state’s transportation infrastructure and play an essential role in furthering economic development. The Legislative Assembly thereby finds that the use of lottery bonds for the purposes described in subsection (2) of this section is an appropriate use of state lottery funds under Article XV, section 4, of the Oregon Constitution, and ORS 461.510.

SECTION 3. (1) In collaboration with the short line railroad advisory group convened under section 1 of this 2021 Act, the Oregon Business Development Department shall conduct a study and make recommendations for legislation that is necessary to provide a long-term revenue source, other than lottery bonds, for financing short line railroad infrastructure grants provided under section 1 of this 2021 Act.

(2) The department shall submit reports on its findings and any proposed legislation under this section to the appropriate committee or committees of the Legislative Assembly in the manner provided under ORS 192.245 no later than September 15, 2022.

SECTION 4. Section 3 of this 2021 Act is repealed on January 2, 2023.

SECTION 5. This 2021 Act being necessary for the immediate preservation of the public
peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect July 1, 2021.