

House Bill 5030

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Oregon Department of Administrative Services)

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, 2015.

A BILL FOR AN ACT

1
2 Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and section 10, 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 2015-2017 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 [~~\$288,226,252~~] **\$316,226,252** 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) For the biennium beginning July 1, 2015, 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 \$14 million in net proceeds**
 26 **and interest earnings for the purposes described in subsection (2) of this section, plus an**
 27 **additional amount estimated by the State Treasurer to be necessary to pay bond-related**
 28 **costs.**

29 **(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to**
 30 **provide \$14 million in net proceeds and interest earnings must be transferred to the Oregon**
 31 **Business Development Department for deposit in the Regional Infrastructure Fund estab-**
 32 **lished in section 3, chapter 786, Oregon Laws 2013, to provide grants and loans to local gov-**
 33 **ernments for infrastructure projects including long-range planning, research and design. The**
 34 **grants and loans are to be allocated by region and based on recommendations of regionally-**
 35 **based planning committees designated by the department.**

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) Infrastructure projects will create jobs; and**

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

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

44 **Sec. 3. (1) The Regional Infrastructure Fund is established in the State Treasury, separate and**
 45 **distinct from the General Fund. Interest earned on the moneys in the Regional Infrastructure Fund**

1 shall be credited to the fund. The Regional Infrastructure Fund consists of moneys deposited in the
2 fund under section 2 [of this 2013 Act], **chapter 786, Oregon Laws 2013, and section 2 of this 2015**
3 **Act**, and may include fees, revenues or other income deposited into the fund by the Legislative
4 Assembly.

5 (2) Moneys in the fund are continuously appropriated to the Oregon Business Development De-
6 partment for disbursement to local governments for the purposes set forth in section 2 [of this 2013
7 Act], **chapter 786, Oregon Laws 2013, and section 2 of this 2015 Act**.

8 **SECTION 4. (1) The Director of the Oregon Business Development Department, in ac-**
9 **cordance with ORS chapter 183, shall adopt rules necessary to administer programs or**
10 **projects financed with moneys obtained pursuant to section 3, chapter 786, Oregon Laws**
11 **2013, and section 2 of this 2015 Act. The rules shall address procedures for authorizing**
12 **infrastructure planning and research efforts, developing and evaluating grant and loan ap-**
13 **plications, awarding grants and loans from the Regional Infrastructure Fund and adminis-**
14 **tering a grant and loan review committee, and may include other provisions the director**
15 **determines necessary or convenient for the Oregon Business Development Department to**
16 **perform its duties and responsibilities under section 3, chapter 786, Oregon Laws 2013, and**
17 **section 2 of this 2015 Act.**

18 (2) The rules must be developed in consultation with the Director of the Oregon Depart-
19 ment of Administrative Services or the director's designee.

20 **SECTION 5. (1) For the biennium beginning July 1, 2015, at the request of the Oregon**
21 **Department of Administrative Services, after the department consults with the Oregon**
22 **Business Development Department, the State Treasurer is authorized to issue lottery bonds**
23 **pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$10 million in net proceeds**
24 **and interest earnings for the purposes described in subsection (2) of this section, plus an**
25 **additional amount estimated by the State Treasurer to be necessary to pay bond-related**
26 **costs.**

27 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
28 provide \$10 million in net proceeds and interest earnings must be transferred to the Oregon
29 Business Development Department for deposit in the Oregon Infrastructure Opportunity
30 Program Fund, established in section 6 of this 2015 Act, to provide loans described in sub-
31 section (3) of this section.

32 (3) The Oregon Business Development Department and the Oregon Infrastructure Fi-
33 nance Authority, in consultation with the West Coast Infrastructure Exchange and the Re-
34 gional Solutions Program, shall establish and administer the Oregon Infrastructure
35 Opportunity Program. The purpose of the program is to provide loans, including forgivable
36 loans, for rural infrastructure projects.

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

41 (a) Rural infrastructure projects will create jobs; and

42 (b) Rural infrastructure projects will further economic development by facilitating the
43 development of natural resource industries and technologies, improving rural infrastructure
44 and enhancing the economic vitality of rural Oregon communities.

45 **SECTION 6. (1) The Oregon Infrastructure Opportunity Program Fund is established in**

1 the State Treasury, separate and distinct from the General Fund. The Oregon Infrastructure
 2 Opportunity Program Fund consists of moneys deposited in the fund under section 5 of this
 3 2015 Act and may include moneys appropriated, allocated, deposited or transferred to the
 4 fund by the Legislative Assembly or otherwise and interest earned on moneys in the fund.

5 (2) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
 6 ment Department for disbursement for the purposes set forth in section 5 of this 2015 Act.

7 **SECTION 7.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
 8 Department of Administrative Services, after the department consults with the Oregon
 9 Business Development Department, the State Treasurer is authorized to issue lottery bonds
 10 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$7 million in net proceeds
 11 and interest earnings for the purposes described in subsection (2) of this section, plus an
 12 additional amount estimated by the State Treasurer to be necessary to pay bond-related
 13 costs.

14 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
 15 provide \$7 million in net proceeds and interest earnings must be transferred to the Oregon
 16 Business Development Department for deposit in the Brownfields Redevelopment Fund es-
 17 tablished in ORS 285A.188 for the purposes described in ORS 285A.185 and 285A.188.

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

22 (a) Redevelopment of industrial-zoned brownfields improves the economy by returning
 23 the assessed value of the properties to the real market value for property taxation purposes;
 24 and

25 (b) The projects made possible through increased funding to evaluate, cleanup and rede-
 26 velop brownfields properties create jobs and further economic development.

27 **SECTION 8.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
 28 Department of Administrative Services, after the department consults with the Oregon
 29 Business Development Department, the State Treasurer is authorized to issue lottery bonds
 30 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$5 million in net proceeds
 31 and interest earnings for the purposes described in subsection (2) of this section, plus an
 32 additional amount estimated by the State Treasurer to be necessary to pay bond-related
 33 costs.

34 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
 35 provide \$5 million in net proceeds and interest earnings must be transferred to the Oregon
 36 Business Development Department for deposit in the Working Forest and Farm Credit En-
 37 hancement Fund, established in section 9 of this 2015 Act, to provide lenders with loan
 38 guarantees, insurance or coinsurance on loans to eligible borrowers for qualifying working
 39 forests or farms under the program described in subsection (3) of this section.

40 (3) The Oregon Business Development Department, after consultation with the State
 41 Forestry Department and the State Department of Agriculture, shall establish and adminis-
 42 ter the Working Forest and Farm Credit Enhancement Program. The purpose of the pro-
 43 gram is to help maintain working forests and farms and associated jobs by providing access
 44 to private capital for eligible borrowers that otherwise may not be available.

45 (4) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,

1 further economic development, finance public education or restore and protect parks,
 2 beaches, watersheds and native fish and wildlife, and is authorized based on the following
 3 findings:

4 (a) Providing financial incentives to maintain working forests and farms in Oregon will
 5 encourage the retention and creation of jobs; and

6 (b) Maintaining and restoring conservation benefits of working forests and farms helps
 7 to protect watersheds and native fish and wildlife.

8 **SECTION 9.** (1) The Working Forest and Farm Credit Enhancement Fund is established
 9 in the State Treasury, separate and distinct from the General Fund. The Working Forest and
 10 Farm Credit Enhancement Fund consists of moneys deposited in the fund under section 8
 11 of this 2015 Act and may include moneys appropriated, allocated, deposited or transferred to
 12 the fund by the Legislative Assembly or otherwise and interest earned on moneys in the
 13 fund.

14 (2) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
 15 ment Department for disbursement for the purposes set forth in section 8 of this 2015 Act.

16 **SECTION 10.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
 17 Department of Administrative Services, after the department consults with the Oregon
 18 Business Development Department, the State Treasurer is authorized to issue lottery bonds
 19 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$10 million in net proceeds
 20 and interest earnings for the purposes described in subsection (2) of this section, plus an
 21 additional amount estimated by the State Treasurer to be necessary to pay bond-related
 22 costs.

23 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
 24 provide \$10 million in net proceeds and interest earnings must be transferred to the Oregon
 25 Business Development Department for deposit in the Working Forest and Farm Revolving
 26 Loan Fund, established in section 11 of this 2015 Act, to provide fixed-rate loans to eligible
 27 borrowers for acquisition of qualifying working forests or farms under the program described
 28 in subsection (3) of this section.

29 (3) The Oregon Business Development Department shall establish and administer the
 30 Working Forest and Farm Revolving Loan Program. The purpose of the program is to help
 31 maintain working forests and farms that provide identifiable conservation benefits by pro-
 32 viding access to credit for eligible borrowers that is tied to the biological and economic ca-
 33 pacities of the land.

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

38 (a) Providing financial incentives to land owners who will use the acquired working forest
 39 or farm to produce forest, farm or ranch products that provide conversion facility supply,
 40 jobs or other community benefits in Oregon will support economic development; and

41 (b) Maintaining and restoring conservation benefits of working forests and farms helps
 42 to protect watersheds and native fish and wildlife.

43 **SECTION 11.** (1) The Working Forest and Farm Revolving Loan Fund is established in
 44 the State Treasury, separate and distinct from the General Fund. The Working Forest and
 45 Farm Revolving Loan Fund consists of moneys deposited in the fund under section 10 of this

1 2015 Act and may include moneys appropriated, allocated, deposited or transferred to the
 2 fund by the Legislative Assembly or otherwise and interest earned on moneys in the fund.

3 (2) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
 4 ment Department for disbursement for the purposes set forth in section 10 of this 2015 Act.

5 **SECTION 12.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
 6 Department of Administrative Services, after the department consults with the Oregon
 7 Watershed Enhancement Board, the State Treasurer is authorized to issue lottery bonds
 8 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$13 million in net proceeds
 9 and interest earnings for the purposes described in subsection (2) of this section, plus an
 10 additional amount estimated by the State Treasurer to be necessary to pay bond-related
 11 costs.

12 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
 13 provide \$13 million in net proceeds and interest earnings must be transferred to the Oregon
 14 Watershed Enhancement Board for deposit in the Working Forest and Farm Conservation
 15 Fund, established in section 13 of this 2015 Act, to provide grants for maintaining or ac-
 16 quiring working forests or farms on which a portion of the property is dedicated to providing
 17 conservation benefits under the program described in subsection (3) of this section.

18 (3) The Oregon Watershed Enhancement Board shall establish and administer the
 19 Working Forest and Farm Conservation Grant Program. The purpose of the program is to
 20 provide existing or new working forest or farm landowners, or the conservation partners of
 21 those landowners, with moneys for maintaining or acquiring working forests or farms on
 22 which a portion of the land is dedicated to providing conservation benefits.

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

27 (a) Providing financial incentives to land owners who will use the acquired working forest
 28 or farm to produce forest, farm or ranch products that provide conversion facility supply,
 29 jobs or other community benefits in Oregon will support economic development; and

30 (b) Maintaining and restoring conservation benefits of working forests and farms helps
 31 to protect watersheds and native fish and wildlife.

32 **SECTION 13.** (1) The Working Forest and Farm Conservation Fund is established in the
 33 State Treasury, separate and distinct from the General Fund. The Working Forest and Farm
 34 Conservation Fund consists of moneys deposited in the fund under section 12 of this 2015
 35 Act and may include moneys appropriated, allocated, deposited or transferred to the fund by
 36 the Legislative Assembly or otherwise and interest earned on moneys in the fund.

37 (2) Moneys in the fund are continuously appropriated to the Oregon Watershed En-
 38 hancement Board to be used for the Working Forest and Farm Conservation Grant Program
 39 established in section 12 of this 2015 Act.

40 **SECTION 14.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
 41 Department of Administrative Services, after the department consults with the State De-
 42 partment of Energy, the State Treasurer is authorized to issue lottery bonds pursuant to
 43 ORS 286A.560 to 286A.585 in an amount that produces \$13.5 million in net proceeds and in-
 44 terest earnings for the purposes described in subsections (2) and (3) of this section, plus an
 45 additional amount estimated by the State Treasurer to be necessary to pay bond-related

1 costs.

2 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
 3 provide \$13.5 million in net proceeds and interest earnings must be transferred to the State
 4 Department of Energy for deposit in the Public Schools Grant Fund, established in section
 5 15 of this 2015 Act, to provide grants as described in subsection (3) of this section.

6 (3) The State Department of Energy shall establish and administer the Public Schools
 7 Grant Program to support energy efficiency and clean energy projects in public schools not
 8 eligible to receive public purpose charge moneys under ORS 757.612.

9 (4) 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) Increasing and promoting energy efficiency in structures and operations statewide
 14 increases economic development and energy conservation and expands opportunities for new
 15 and emerging industries in Oregon; and

16 (b) The projects made possible through increased funding of energy efficiency programs
 17 create jobs and further economic development.

18 **SECTION 15.** (1) The Public Schools Grant Fund is established in the State Treasury,
 19 separate and distinct from the General Fund. The Public Schools Grant Fund consists of
 20 moneys deposited in the fund under section 14 of this 2015 Act and may include other sources
 21 of moneys from grants, donations, contributions or gifts deposited in the fund and interest
 22 earned on moneys in the fund.

23 (2) Moneys in the fund are continuously appropriated to the State Department of Energy
 24 to be used for the Public Schools Grant Program established in section 14 of this 2015 Act.

25 **SECTION 16.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
 26 Department of Administrative Services, in consultation with the Department of Transporta-
 27 tion, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to
 28 286A.585 in an amount that produces \$58,658,349 in net proceeds and interest earnings for the
 29 purpose described in subsection (2) of this section, plus an additional amount estimated by
 30 the State Treasurer to be necessary to pay bond-related costs.

31 (2) Net proceeds of lottery bonds issued pursuant to this section and interest earnings
 32 must be transferred to the Department of Transportation for deposit in the Multimodal
 33 Transportation Fund established under ORS 367.080 in an amount sufficient to provide
 34 \$58,658,349 for the department to finance grants and loans for transportation projects as
 35 provided in ORS 367.080 to 367.086.

36 (3) Bond-related costs for the lottery bonds authorized by this section must be paid from
 37 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
 38 286A.576 (1)(c).

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

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

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

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

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

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

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

14 **SECTION 17.** To the extent that proposed transportation projects meet the qualifications
 15 established by the Oregon Transportation Commission by rule, the commission shall allocate
 16 at least 10 percent of the net proceeds of the lottery bonds authorized by section 16 of this
 17 2015 Act to each region described in this section. For purposes of this section, the regions
 18 are as follows:

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

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

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

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

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

28 **SECTION 18.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
 29 Department of Administrative Services, after the department consults with the Housing and
 30 Community Services Department, the State Treasurer is authorized to issue lottery bonds
 31 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$15 million in net proceeds
 32 and interest earnings for the purposes described in subsection (2) of this section, plus an
 33 additional amount estimated by the State Treasurer to be necessary to pay bond-related
 34 costs.

35 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
 36 provide \$15 million in net proceeds and interest earnings must be transferred to the Housing
 37 and Community Services Department for deposit in the Affordable Housing Finance Fund,
 38 established in section 19 of this 2015 Act, to provide financial assistance to aid in the devel-
 39 opment, acquisition, renovation or improvement of affordable housing for low-income and
 40 very low-income Oregonians.

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

45 (a) Individuals and families who are at risk of homelessness or who otherwise pay a dis-

1 proportionate share of income for housing improve children's school performance, increase
2 their potential for self-sufficiency and use fewer public resources when they have access to
3 safe, affordable rental housing.

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

6 (c) A severe shortage of affordable housing exists in Oregon, and market indicators
7 demonstrate a growing gap between the supply of and demand for quality affordable housing.

8 **SECTION 19.** (1) The Affordable Housing Finance Fund is established in the State
9 Treasury, separate and distinct from the General Fund. The Affordable Housing Finance
10 Fund consists of moneys deposited in the fund under section 18 of this 2015 Act and may
11 include moneys appropriated, allocated, deposited or transferred to the fund by the Legisla-
12 tive Assembly or otherwise and interest earned on moneys in the fund.

13 (2) Moneys in the fund are continuously appropriated to the Housing and Community
14 Services Department for disbursement for the purposes set forth in section 18 of this 2015
15 Act.

16 **SECTION 20.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
17 Department of Administrative Services, after the department consults with the Oregon
18 Business Development Department, the State Treasurer is authorized to issue lottery bonds
19 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1.5 million in net proceeds
20 and interest earnings for the purposes described in subsection (2) of this section, plus an
21 additional amount estimated by the State Treasurer to be necessary to pay bond-related
22 costs.

23 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
24 provide \$1.5 million in net proceeds and interest earnings must be transferred to the Oregon
25 Business Development Department for deposit in the Oregon Business, Innovation and Trade
26 Fund, established in ORS 285A.227, to provide grant funding to Linn-Benton Community
27 College for expansion of an alternative fuels lab.

28 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
29 further economic development, finance public education or restore and protect parks,
30 beaches, watersheds and native fish and wildlife, and is authorized based on the finding that
31 energy conservation, renewable energy and general business development projects create
32 jobs and facilitate and encourage economic development.

33 **SECTION 21.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
34 Department of Administrative Services, after the department consults with the Water Re-
35 sources Department, the State Treasurer is authorized to issue lottery bonds pursuant to
36 ORS 286A.560 to 286A.585 in an amount that produces \$6,250,000 in net proceeds and interest
37 earnings for the purposes described in subsection (2) of this section, plus an additional
38 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

39 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
40 provide \$6,250,000 in net proceeds and interest earnings must be transferred to the Water
41 Resources Department for deposit in the Water Supply Development Account, established in
42 ORS 541.656, to provide grants or loans to evaluate, plan and develop in-stream and out-of-
43 stream statewide water development projects.

44 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
45 further economic development, finance public education or restore and protect parks,

1 beaches, watersheds and native fish and wildlife, and is authorized based on the following
2 findings:

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

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

8 **SECTION 22.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
9 Department of Administrative Services, after the department consults with the Water Re-
10 sources Department, the State Treasurer is authorized to issue lottery bonds pursuant to
11 ORS 286A.560 to 286A.585 in an amount that produces \$2 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 in an amount sufficient to
15 provide \$2 million in net proceeds and interest earnings must be transferred to the Water
16 Resources Department for deposit in the Water Conservation, Reuse and Storage Investment
17 Fund, established in ORS 541.576, to be used to pay the qualifying costs of planning studies
18 performed to evaluate the feasibility of developing water conservation, reuse or storage
19 projects.

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

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

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

29 **SECTION 23.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
30 Department of Administrative Services, after the department consults with the Water Re-
31 sources Department, the State Treasurer is authorized to issue lottery bonds pursuant to
32 ORS 286A.560 to 286A.585 in an amount that produces \$11,750,000 in net proceeds and interest
33 earnings for the purposes described in subsection (2) of this section, plus an additional
34 amount estimated by the State Treasurer to be necessary to pay bond-related costs.

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

39 (a) \$11 million in net proceeds and interest earnings to develop and implement water
40 storage systems and delivery infrastructure, implement conservation and reuse projects or
41 provide access to new water supplies.

42 (b) \$750,000 in net proceeds and interest earnings to provide grants for place-based plan-
43 ning.

44 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
45 further economic development, finance public education or restore and protect parks,

1 **beaches, watersheds and native fish and wildlife, and is authorized based on the following**
 2 **findings:**

3 **(a) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems**
 4 **enhances community development and supports Oregon’s economic growth.**

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

8 **SECTION 24.** Section 10, chapter 906, Oregon Laws 2009, as amended by section 5, chapter 624,
 9 Oregon Laws 2011, is amended to read:

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

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

15 (a) Net proceeds of lottery bonds issued pursuant to sections 8 and 9, chapter 906, Oregon Laws
 16 2009, deposited into the Water Resources Department Water Supply Fund for the following purposes:

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

20 (B) \$217,000 to pay for the operation of loan and grant programs under sections 18 to 27, chapter
 21 907, Oregon Laws 2009.

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

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

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

31 **(c) \$11 million in net proceeds and interest earnings pursuant to section 23 of this 2015**
 32 **Act to develop and implement water storage systems and delivery infrastructure, implement**
 33 **conservation and reuse projects or provide access to new water supplies.**

34 **(d) \$750,000 in net proceeds and interest earnings pursuant to section 23 of this 2015 Act**
 35 **to provide grants for place-based planning.**

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

37 **SECTION 25.** This 2015 Act being necessary for the immediate preservation of the public
 38 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
 39 July 1, 2015.