

Enrolled
House Bill 5036

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

CHAPTER

AN ACT

Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and sections 4, 10, 14 and 29, chapter 906, Oregon Laws 2009; repealing section 15, chapter 30, Oregon Laws 2010; appropriating money; and declaring an emergency.

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

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

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

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

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

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

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

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

(b) The Columbia River channel deepening project is necessary to allow newer, larger steamships access to Oregon and Washington deep draft ports. A deeper shipping channel will allow the Columbia River to continue as a world leader in agricultural exports and as a key trade corridor for farms and businesses throughout Oregon and the region.

(c) Such financial and other assistance to municipalities, ports and other persons and entities and the deepening of the Columbia River channel will therefore promote economic development within this state, and thus the use of net proceeds derived from the operation of the Oregon State

Lottery to pay debt service on lottery bonds issued under this section to provide such financial and other assistance to municipalities, ports and other persons and entities and to pay a portion of the costs of deepening the Columbia River channel is an authorized use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510.

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

(3)(a) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of this section for financial and other assistance to municipalities, ports and other persons and entities may not exceed the sum of [~~\$266,226,252~~] **\$276,226,252** and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs. The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(b) of this section for the Columbia River channel deepening project may not exceed the sum of \$17.7 million and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

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

(4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the State Treasury separate and distinct from the General Fund. Interest earned by the Economic Infrastructure Project Fund shall be credited to the fund. All moneys in the Economic Infrastructure Project Fund are continuously appropriated to the Oregon Business Development Department for any purpose for which moneys in the Special Public Works Fund created by ORS 285B.455 may be used, any purpose for which moneys in the Water Fund created by ORS 285B.563 may be used, any purpose for which moneys in the Safe Drinking Water Revolving Loan Fund created by ORS 285A.213 may be used, any purpose for which moneys in the Oregon Port Revolving Fund created by ORS 285A.708 may be used, any purpose for which moneys in the Brownfields Redevelopment Fund created by ORS 285A.188 may be used, any purpose for which moneys in the Oregon Business Development Fund created by ORS 285B.092 may be used and any purpose for which moneys in the Marine Navigation Improvement Fund created by ORS 777.267 may be used. The Director of the Oregon Business Development Department shall allocate the moneys deposited in the Economic Infrastructure Project Fund for the purposes described in this subsection in accordance with the priorities developed by the Oregon Business Development Commission in accordance with ORS 285A.020. However, the director shall transfer from the Economic Infrastructure Project Fund and deposit into the Channel Deepening Account of the Marine Navigation Improvement Fund the proceeds of any lottery bonds sold to finance a portion of the costs of the Columbia River channel deepening project. Upon determining the relative allocation of moneys deposited in the Economic Infrastructure Project Fund among the purposes described in this subsection, the director shall transfer from the Economic Infrastructure Project Fund, and deposit into each of the other funds described in this subsection, the amounts so allocated. Notwithstanding any other provision of law governing the funds described in this subsection, the funds described in this subsection may be credited with moneys transferred from the Economic Infrastructure Project Fund by the director in accordance with this subsection.

(5) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(c) of this section for the costs of studies and ecosystem restoration projects in the lower Columbia River estuary may not exceed the sum of \$750,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs. The net proceeds of lottery bonds issued pur-

suant to subsection (1)(c) of this section shall be deposited in the Oregon Business, Innovation and Trade Fund created by ORS 285A.227 and may be used only for the Oregon nonfederal share of United States Army Corps of Engineers Columbia River estuary projects authorized by Congress prior to August 9, 2001. The director may not request the issuance of lottery bonds under subsection (1)(c) of this section until Congress and Washington have authorized their respective shares of the costs of the studies and ecosystem restoration projects in the lower Columbia River estuary.

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

SECTION 2. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the Oregon University System, the State Treasurer is authorized to issue lottery bonds for capital construction, deferred maintenance and capital renewal, code compliance and safety projects.

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

(a) New buildings and facilities are needed in order for universities to have adequate facilities for teaching.

(b) Having adequate university buildings and facilities is essential to Oregon's healthy economic growth.

(c) Major subsystems within university buildings are wearing out and must be replaced in order for universities to have adequate facilities for teaching.

(d) Having safe and fully functioning university facilities is essential to Oregon's healthy economic growth.

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section by the State Treasurer for:

(a) Capital construction, including deferred maintenance, may not exceed the amount of \$87,479,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

(b) Capital renewal, code compliance and safety projects may not exceed the amount of \$25 million and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

(4) Of the net proceeds of lottery bonds issued pursuant to this section for the biennium beginning July 1, 2011, an amount not to exceed:

(a) \$25 million shall be deposited into the Oregon University System Capital Construction, Deferred Maintenance and Capital Repair Project Fund established in section 3, chapter 788, Oregon Laws 2005.

(b) \$87,479,000 shall be deposited into the Oregon University System Fund established in ORS 351.506, segregated in a distinct subaccount to allow necessary compliance under the Internal Revenue Code.

SECTION 3. Section 4, chapter 906, Oregon Laws 2009, is amended to read:

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

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

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

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

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section may not exceed the amount of [~~\$16,301,718~~] **\$21,301,718 plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.**

SECTION 4. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, after the department consults with the Water Resources Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$1,229,052 for the purpose 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 must be transferred to the Water Resources Department for deposit in the Water Resources Department Water Supply Fund established under section 10, chapter 906, Oregon Laws 2009, sufficient to provide \$1,229,052 in net proceeds and interest earnings to provide grants for feasibility studies for water conservation, reuse and storage projects.

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

(a) Adequate drinking water systems, irrigation, drainage and healthy ecosystems enhance community development and encourage economic growth.

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

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

(d) Increasing the use of renewable energy will assist in reducing energy costs in the long term, which allows for sustainable economic growth.

SECTION 5. Section 10, chapter 906, Oregon Laws 2009, is amended to read:

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

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

[(2)] (a) Net proceeds of lottery bonds issued pursuant to sections 8 and 9 [of this 2009 Act], **chapter 906, Oregon Laws 2009, [shall be] deposited into the Water Resources Department Water Supply Fund. Moneys in the fund are continuously appropriated as follows] for the following purposes:**

[(a)] (A) \$2,500,000 for the purposes of issuing grants to develop Umatilla Basin critical ground water storage projects described in section 17, chapter 907, Oregon Laws 2009 [(Enrolled House Bill 3369)], and to provide or pay for services in connection with those projects.

[(b)] (B) \$217,000 to pay for the operation of loan and grant programs under sections 18 to 27, chapter 907, Oregon Laws 2009 [(Enrolled House Bill 3369)].

[(c)] (C) \$283,000 for the purpose of developing an integrated state water resources strategy to implement the state water resources policy pursuant to ORS 536.220 and section 45, chapter 907, Oregon Laws 2009 [(Enrolled House Bill 3369)].

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

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

(c) **Any other fees, revenues or income deposited in the fund by the Legislative Assembly.**

SECTION 6. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, after the department consults with the Port of Morrow, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560

to 286A.585 in an amount not to exceed net proceeds of \$3.2 million for the purpose 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 pursuant to this section in an amount sufficient to provide \$3.2 million in net proceeds and interest earned must be transferred to the department for disbursement to the Port of Morrow for the purpose of Willow Creek/SAGE Center improvements, including construction of sidewalks or other walkways.

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

(a) The proceeds will be used to construct or improve public infrastructure that facilitate and promote tourism and that provide access to cultural and educational facilities.

(b) The projects will create jobs in tourism and construction.

SECTION 7. The Willow Creek/SAGE Center Improvements Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Willow Creek/SAGE Center Improvements Fund shall be credited to the fund. The Willow Creek/SAGE Center Improvements Fund consists of moneys deposited in the fund under section 6 of this 2011 Act and may include fees, revenues or other income deposited into the fund by the Legislative Assembly. Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for disbursement to the Port of Morrow for the purpose of Willow Creek/SAGE Center improvements, including construction of sidewalks or other walkways.

SECTION 8. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, after the department consults with the City of Hermiston, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$6.4 million for the purpose 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 \$6.4 million in net proceeds and interest earnings for transfer to the department for disbursement to the City of Hermiston for the purpose of acquiring, developing, constructing and equipping the Eastern Oregon Trade Center.

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

(a) The human capital and other resources of eastern Oregon are underutilized;

(b) The Eastern Oregon Trade Center will be a resource to promote and focus attention on the development potential of the region; and

(c) Construction of the Eastern Oregon Trade Center will create jobs.

SECTION 9. (1) The Eastern Oregon Trade Center Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Eastern Oregon Trade Center Fund shall be credited to the fund. The Eastern Oregon Trade Center Fund consists of moneys deposited in the fund under section 8 of this 2011 Act and may include fees, revenues or other income deposited into the fund by the Legislative Assembly.

(2) Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for disbursement to the City of Hermiston for the purpose of acquiring, developing, constructing and equipping the Eastern Oregon Trade Center.

SECTION 10. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, after the department consults with the Milton-Freewater Water Control District, the State Treasurer is authorized to issue lottery bonds

pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$2.9 million for the purpose 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 the amount sufficient to provide \$2.9 million in net proceeds and interest earned must be transferred to the department for disbursement to the Milton-Freewater Water Control District for public infrastructure improvements, including levee restoration and repair projects and bridge projects, in Milton-Freewater and surrounding areas.

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

(a) Public investment in flood controls and transportation infrastructure encourage and promote private capital investment and economic development; and

(b) Construction projects will create jobs in Milton-Freewater and the surrounding area.

SECTION 11. (1) The Milton-Freewater Levee and Bridge Improvement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Milton-Freewater Levee and Bridge Improvement Fund shall be credited to the fund. The Milton-Freewater Levee and Bridge Improvement Fund consists of moneys deposited in the fund under section 10 of this 2011 Act and may include fees, revenues or other income deposited into the fund by the Legislative Assembly.

(2) Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for disbursement to the Milton-Freewater Water Control District for the purpose of public infrastructure improvements, including levee restoration and repair projects and bridge projects, in Milton-Freewater and surrounding areas.

SECTION 12. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, after the department consults with the Lane Transit District, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$4.2 million for the purpose 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 \$4.2 million in net proceeds and interest earnings for the department to deposit in the West Eugene EmX Extension Fund for disbursement to the Lane Transit District for the West Eugene EmX Extension, as defined in section 28, chapter 906, Oregon Laws 2009.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the findings identified by the Legislative Assembly in section 28, chapter 906, Oregon Laws 2009.

SECTION 13. Section 29, chapter 906, Oregon Laws 2009, is amended to read:

Sec. 29. The West Eugene EmX Extension Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the West Eugene EmX Extension Fund shall be credited to the fund. The West Eugene EmX Extension Fund consists of moneys deposited in the fund under section 28 [of this 2009 Act], **chapter 906, Oregon Laws 2009, and section 12 of this 2011 Act**, and may include fees, revenues or other income deposited into the fund by the Legislative Assembly for payment of costs incurred to establish the West Eugene EmX Extension. Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for:

(1) Disbursement to the Lane Transit District [to pay \$1,600,000 of] **of moneys appropriated by the Legislative Assembly for the purpose of paying** the costs incurred to establish the West Eugene EmX Extension.

(2) Payment of bond-related costs, as defined in ORS 286A.560.

SECTION 14. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, after the department consults with the Oregon Historical Society, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$2.5 million for the purpose 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 pursuant to this section in an amount sufficient to provide \$2.5 million in net proceeds and interest earnings to the department for disbursement to the Oregon Historical Society for payment of costs associated with the mortgage on the society's storage facility in Gresham.

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

(a) The mission of the Oregon Historical Society is not just to preserve Oregon's documentary history but to utilize the documents preserved to educate Oregonians of all ages.

(b) By relieving the society of the mortgage costs on the society's storage facility, the society is able to focus more resources on operations that serve the society's mission.

SECTION 15. (1) The Oregon Historical Society Mortgage Relief Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Oregon Historical Society Mortgage Relief Fund shall be credited to the fund. The Oregon Historical Society Mortgage Relief Fund consists of moneys deposited in the fund under section 14 of this 2011 Act and may include fees, revenues or other income deposited into the fund by the Legislative Assembly.

(2) Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for disbursement to the Oregon Historical Society to pay costs associated with the mortgage on the society's storage facility in Gresham.

SECTION 16. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, after the department consults with the State Board of Forestry, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$1,980,000 for the purpose 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) Notwithstanding ORS 526.060, net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$1,980,000 in net proceeds and interest earnings for deposit in the State Forest Acquisition Fund established under section 14, chapter 906, Oregon Laws 2009, for the purpose of acquiring parcels in the Gilchrist area of Klamath County for use as state forestland.

(3) The Legislative Assembly finds that:

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

(b) State acquisition of parcels located in the Gilchrist area of Klamath County for management as state forestland would produce economic benefits for the area, including but not limited to income from the harvest of forest products and direct employment and economic benefit from processing harvested forest products;

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

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

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

SECTION 17. Section 14, chapter 906, Oregon Laws 2009 is amended to read:

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

SECTION 18. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, after the department consults with the Department of Veterans' Affairs, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$10.5 million for the purpose 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 \$10.5 million in net proceeds and interest earnings must be transferred to the Department of Veterans' Affairs and deposited in the Roseburg Veterans' Home Construction Fund established in section 19 of this 2011 Act for the purpose of acquiring, developing, constructing and equipping the Roseburg Veterans' Home.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the finding that establishment of the Roseburg Veterans' Home will create jobs in construction and health care fields.

SECTION 19. The Roseburg Veterans' Home Construction Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Roseburg Veterans' Home Construction Fund shall be credited to the fund. The Roseburg Veterans' Home Construction Fund consists of moneys deposited in the fund under section 18 of this 2011 Act and may include fees, revenues or other income deposited into the fund by the Legislative Assembly for payment of costs incurred to acquire, develop, construct and equip the Roseburg Veterans' Home. Moneys in the fund are continuously appropriated to the Department of Veterans' Affairs for the purpose of acquiring, developing, constructing and equipping the Roseburg Veterans' Home.

SECTION 20. (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department of Administrative Services, in consultation with the Department of Transportation, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$40 million for the purpose described in subsection (2) of this section, plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

(2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the Multimodal Transportation Fund established under ORS 367.080 sufficient to provide \$40 million in net proceeds and interest earnings for the Department of Transportation to finance grants and loans for transportation projects as provided in ORS 367.080 to 367.086.

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

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

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

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

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

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

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

(f) Public investment in transportation infrastructure will create jobs and further economic development in this state.

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

SECTION 21. To the extent that proposed transportation projects meet the qualifications established by the Oregon Transportation Commission by rule, the commission shall allocate at least 10 percent of the net proceeds of the lottery bonds authorized by section 20 of this 2011 Act to each region described in this section. For purposes of this section, the regions are as follows:

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

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

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

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

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

SECTION 22. Section 15, chapter 30, Oregon Laws 2010, is repealed.

SECTION 23. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect July 1, 2011.

Passed by House June 30, 2011

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Ramona Kenady Line, Chief Clerk of House

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

Passed by Senate June 30, 2011

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2011

Approved:

.....M,....., 2011

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2011

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Kate Brown, Secretary of State