

**Enrolled**  
**Senate Bill 5530**

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CHAPTER .....

AN ACT

Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and section 4, chapter 906, Oregon Laws 2009, sections 3, 6 and 18, chapter 786, Oregon Laws 2013, and sections 23 and 28a, chapter 812, Oregon Laws 2015; 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 [~~\$306,226,252~~] **\$336,226,252** 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 pursuant 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) Net proceeds of lottery bonds issued under ORS 285B.551 during the biennium beginning July 1, 2017, in an amount sufficient to provide \$10 million in net proceeds and interest earnings must be transferred to the Oregon Business Development Department for deposit in the Levee Project Subaccount, established in ORS 285B.456, for the purpose of providing financial assistance under ORS 285B.410 to 285B.482 for levee projects, as defined in ORS 285B.410.**

(2) 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) Levees are an integral part of the commercial and industrial infrastructure of this state.

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

**SECTION 3. (1) For the biennium beginning July 1, 2017, 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 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$4 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 \$4 million in net proceeds and interest earnings must be transferred to the Oregon Business Development Department for deposit in the Regional Infrastructure Fund established in section 3, chapter 786, Oregon Laws 2013, to provide grants and loans to local governments for infrastructure projects, including long-range planning, research and design. The grants and loans are to be allocated based on recommendations of regionally based planning committees designated by the department.

(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) Infrastructure projects will create jobs; and

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

**SECTION 4.** Section 3, chapter 786, Oregon Laws 2013, as amended by section 3, chapter 812, Oregon Laws 2015, is amended to read:

**Sec. 3.** (1) The Regional Infrastructure Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on the moneys in the Regional Infrastructure Fund shall be credited to the fund. The Regional Infrastructure Fund consists of moneys deposited in the fund under section 2, chapter 786, Oregon Laws 2013, and section 2 [of this 2015 Act], **chapter 812, Oregon Laws 2015, and section 3 of this 2017 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 Business Development Department for disbursement to local governments for the purposes set forth in section 2, chapter 786, Oregon Laws 2013, and section 2 [of this 2015 Act], **chapter 812, Oregon Laws 2015, and section 3 of this 2017 Act.**

**SECTION 5.** (1) For the biennium beginning July 1, 2017, 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 that produces \$20,700,000 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 must be transferred to the Water Resources Department for deposit in the Water Supply Development Account established in ORS 541.656, in an amount sufficient to provide:

(a) \$15 million in net proceeds and interest earnings to provide grants or loans to evaluate, plan and develop in-stream and out-of-stream statewide water development projects.

(b) \$2.5 million in net proceeds and interest earnings to the City of Carlton to reduce sedimentation and increase water storage capacity at the Panther Creek Reservoir.

(c) \$2 million in net proceeds and interest earnings to the City of Carlton to replace the city's finished water supply line and reduce water loss.

(d) \$1.2 million in net proceeds and interest earnings to the Santiam Water Control District to complete the Mill Creek Corporate Center irrigation conversion and efficiency project.

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

(b) 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.

**SECTION 6.** (1) For the biennium beginning July 1, 2017, 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 that produces \$1.5 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 \$1.5 million in net proceeds and interest earnings must be transferred to the Water Resources Department for deposit in the Water Conservation, Reuse and Storage Investment Fund, established in ORS 541.576, to be used to pay the qualifying costs of planning studies performed to evaluate the feasibility of developing water conservation, reuse or 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) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems enhances community development and supports Oregon's economic growth.

(b) 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.

**SECTION 7.** Section 4, chapter 906, Oregon Laws 2009, as amended by section 3, chapter 624, Oregon Laws 2011, section 19, chapter 786, Oregon Laws 2013, section 15, chapter 121, Oregon Laws 2014, section 37, chapter 812, Oregon Laws 2015, and section 4, chapter 66, Oregon Laws 2016, 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 [~~\$33,801,718~~] **\$58,801,718** plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

**SECTION 8.** (1) **For the biennium beginning July 1, 2017, 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 that produces \$30 million in net proceeds and interest earnings 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 and interest earnings must be transferred to the Department of Transportation for deposit in the Connect Oregon Fund established under ORS 367.080 in an amount sufficient to provide \$30 million for the department to finance grants 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 transportation options 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 restore and protect parks, beaches, watersheds and native fish and 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 Article XV, section 4, of the Oregon Constitution, and ORS 461.510.**

**SECTION 9.** **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 8 of this 2017 Act to each region described in this section. For purposes of this section, the regions are as follows:

- (1) Region one consists of Clackamas, Hood River, Multnomah and Washington Counties.
- (2) Region two consists of Benton, Clatsop, Columbia, 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 10.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the Department of State Lands, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$3 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 \$3 million in net proceeds and interest earnings must be transferred to the Department of State Lands for deposit in the Portland Harbor Cleanup Fund, established in section 11 of this 2017 Act, to provide financial assistance to the department for coordination and participation in any contracts or agreements relating to or arising out of the Portland Harbor Superfund Site. The purposes of the contracts or agreements may include, but are not limited to:

- (a) Investigation necessary to characterize existing baseline conditions throughout the Portland Harbor Superfund Site, as well as conditions upstream and downstream that may be impacting the Portland Harbor Superfund Site;
- (b) Investigation of key sediment management areas to update the extent of areas of higher contamination in the Portland Harbor Superfund Site;
- (c) Investigation of potential infrastructure needs related to contaminated sediments in the Portland Harbor Superfund Site;
- (d) Development and administration of a comprehensive data management system for the Portland Harbor Superfund Site;
- (e) Satisfaction of some or all of the department's obligations under any administrative settlement or administrative order on consent in connection with the Portland Harbor Superfund Site; and
- (f) Work required by the United States Environmental Protection Agency in connection with the Portland Harbor Superfund Site.

(3) In executing contracts for the work described in subsection (2) of this section, the Department of State Lands shall, when practicable, contract with regional contractors employing individuals from communities disproportionately impacted by contamination in the Portland Harbor.

(4) 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) Having healthy ecosystems supports Oregon's economic growth and restores watersheds and habitat for native fish.
- (b) The future cleanup of the Portland Harbor will enhance community efforts to facilitate and promote economic growth.

**SECTION 11.** (1) The Portland Harbor Cleanup Fund is established in the State Treasury, separate and distinct from the General Fund. The Portland Harbor Cleanup Fund consists

of moneys deposited in the fund under section 10 of this 2017 Act and may include moneys appropriated, allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and interest earned on moneys in the fund.

(2) Moneys in the fund are continuously appropriated to the Department of State Lands for disbursement for the purposes set forth in section 10 of this 2017 Act.

(3) Nothing in section 10 or 11 of this 2017 Act waives or limits the department's ability to recover, by way of insurance, cost recovery, contribution, or claim or action relating to or arising out of the Portland Harbor Superfund Site, monies from other parties, including claims for costs incurred by the department. In no event shall anything in section 10 or 11 of this 2017 Act be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the United States Constitution or otherwise.

**SECTION 12.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the Cascade AIDS Project, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1 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 \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Cascade AIDS Project for acquisition and renovation of a primary care and mental health center for the lesbian, gay, bisexual, transgender, queer, and other minority gender identities and sexual orientation community.

(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) Individuals increase their potential for self-sufficiency and use fewer public resources when they have access to health care.

(b) Individuals who have mental illnesses increase their potential for self-sufficiency and use fewer public resources when they have access to mental health services.

**SECTION 13.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the City of Spray, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$725,000 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 \$725,000 in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the City of Spray to construct a public safety and emergency services center, which includes fire protection and emergency medical services.

(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 public safety and emergency services are necessary components of a climate that facilitates and encourages economic development.

**SECTION 14.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the Eugene Civic Alliance, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$6 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 \$6 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Eugene Civic Alliance to redevelop the site of the former Civic Stadium into a community sports and recreation complex.

(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 improving access to sports and recreation services will enhance the economic viability of the region, create jobs and improve the quality of life for the community.

**SECTION 15.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the Family Nurturing Center Rogue Valley Children's Relief Nursery, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2 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 \$2 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Family Nurturing Center Rogue Valley Children's Relief Nursery to purchase and rehabilitate affordable housing adjacent to the Family Nurturing Center Campus.

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

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

**SECTION 16.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the Gresham Redevelopment Commission, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2 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 \$2 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Gresham Redevelopment Commission for the construction of an innovation and workforce training center to be located in the Rockwood neighborhood 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 finding that training the state's workforce is essential to Oregon's healthy economic growth.

**SECTION 17.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the City of Independence, the State Treasurer is authorized to issue lottery bonds pursuant to ORS

286A.560 to 286A.585 in an amount that produces \$1 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 \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the City of Independence to continue development of the Independence Landing site in the City of Independence.

(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 developing the Independence Landing site will enhance the economic viability of the region, create jobs and improve the quality of life for the community.

**SECTION 18.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with Klamath County, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1 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 \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to Klamath County for construction of the Klamath Youth Inspiration Program residential treatment center in Klamath Falls.

(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 expanding programs and services for at-risk youth will facilitate and encourage economic development.

**SECTION 19.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with The Dalles Civic Auditorium Historic Preservation Committee, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$745,000 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 \$745,000 in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to The Dalles Civic Auditorium Historic Preservation Committee to continue reconstruction of The Dalles Civic Auditorium theatre.

(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 improving access to performing arts and cultural activities will enhance the economic viability of the region, create jobs and improve the quality of life for the community.

**SECTION 20.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the City of Woodburn, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1 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 \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the City of Woodburn to develop a community center in Woodburn.

(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 improving access to community services will enhance the economic viability of the region, create jobs and improve the quality of life for the community.

**SECTION 21.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the YMCA of Marion and Polk Counties, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$12 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 \$12 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the YMCA of Marion and Polk Counties to construct a new YMCA facility in Salem.

(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 improving access to sports, recreation and community services will enhance the economic viability of the region, create jobs and improve the quality of life for the community.

**SECTION 22.** (1) For the biennium beginning July 1, 2017, 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 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2,450,000 in net proceeds and interest earnings for transfer to the Oregon Business Development Department for deposit in the Cultural Resources Economic Fund established in section 6, chapter 786, Oregon Laws 2013, to provide grants 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) The Oregon Business Development Department shall grant:

(a) \$1 million to the Portland Art Museum to finance the Connections Campaign that will connect the Museum's Main Building to the Mark Building through the construction of a glass pavilion.

(b) \$750,000 to the Friends of the Oregon Caves and Chateau to finance the Balcony Restoration Project that will rebuild the Chateau's balconies.

(c) \$700,000 to the Eugene Ballet Company to finance the Midtown Arts Center capital construction project.

(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 grants described in this section will leverage art and cultural resources to create vibrant public spaces that integrate art and cultural and natural amenities, sustain Oregon's rich arts and cultural experiences and enhance a strong sense of place and community identity.

**(b) The factors described in paragraph (a) of this subsection have the effect of creating jobs, expanding business and tax revenues and enhancing the economic vitality of Oregon communities.**

**SECTION 23.** Section 6, chapter 786, Oregon Laws 2013, as amended by section 27, chapter 812, Oregon Laws 2015, is amended to read:

**Sec. 6.** (1) The Cultural Resources Economic Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on the moneys in the Cultural Resources Economic Fund shall be credited to the fund. The Cultural Resources Economic Fund consists of moneys deposited in the fund under section 5, chapter 786, Oregon Laws 2013, and section 26, **chapter 812, Oregon Laws 2015, and section 22 of this 2017 Act [of this 2015 Act]** and may include fees, revenues or other income deposited in the fund by the Legislative Assembly.

(2) Moneys in the fund are continuously appropriated to the Oregon Business Development for disbursement for the purposes set forth in section 5, chapter 786, Oregon Laws 2013, and section 26, **chapter 812, Oregon Laws 2015, and section 22 of this 2017 Act [of this 2015 Act]**.

**SECTION 24.** (1) **For the biennium beginning July 1, 2017, 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 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$600,000 in net proceeds and interest earnings 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 \$600,000 in net proceeds and interest earnings must be transferred to the Oregon Business Development Department for deposit in the Brookings Harbor Dock Fund established under section 28a, chapter 812, Oregon Laws 2015, for distribution to the Port of Brookings Harbor for the purpose of repairing and improving docks owned by the port.**

(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) Docks are an integral part of the commercial and industrial infrastructure of this state.**

**(b) Repair and improvement of docks will promote economic development within this state.**

**SECTION 25.** Section 28a, chapter 812, Oregon Laws 2015, is amended to read:

**Sec. 28a.** (1) The Brookings Harbor Dock Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on the moneys in the Brookings Harbor Dock Fund shall be credited to the fund. The Brookings Harbor Dock Fund consists of moneys deposited in the fund under section 28, **chapter 812, Oregon Laws 2015, and section 24 of this 2017 Act [of this 2015 Act]** and may include fees, revenues or other income deposited in the fund by the Legislative Assembly.

(2) Moneys in the fund are continuously appropriated to the Oregon Business Development for disbursement for the purposes set forth in section 28, **chapter 812, Oregon Laws 2015, and section 24 of this 2017 Act [of this 2015 Act]**.

**SECTION 26.** (1) **For the biennium beginning July 1, 2017, 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 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2 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 \$2 million in net proceeds and interest earnings must be transferred to the Oregon**

Business Development Department for deposit in the OBDD Economic Development Distributions Fund established under section 28 of this 2017 Act for distribution to the City of Sweet Home to upgrade the Sweet Home Wastewater Treatment Plant.

(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) Wastewater treatment systems are an integral part of the commercial and industrial infrastructure of this state.

(b) Improvement of a wastewater treatment plant will promote economic development within this state.

**SECTION 27.** (1) For the biennium beginning July 1, 2017, 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 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$3 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 \$3 million in net proceeds and interest earnings must be transferred to the Oregon Business Development Department for deposit in the OBDD Economic Development Distributions Fund established under section 28 of this 2017 Act for distribution to the Crescent Sanitary District to build a wastewater treatment facility.

(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) Wastewater treatment systems are an integral part of the commercial and industrial infrastructure of this state.

(b) Addition of a wastewater treatment facility will promote economic development within this state.

**SECTION 28.** (1) The OBDD Economic Development Distributions Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on the moneys in the OBDD Economic Development Distributions Fund consists of moneys deposited in the fund under sections 26 and 27 of this 2017 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 Business Development Department for purposes described in sections 26 and 27 of this 2017 Act.

**SECTION 29.** (1) For the biennium beginning July 1, 2017, 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 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$3,390,000 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 \$3,390,000 in net proceeds and interest earnings must be transferred to the Oregon Business Development Department for deposit in the American Manufacturing Innovation District Fund established in section 7a, chapter 66, Oregon Laws 2016, for construction of access roads to the Oregon Manufacturing Innovation Center Research and Development Facility and Training Center.

(3) The Legislative Assembly finds that the use of lottery bonds proceeds will create jobs and further economic development, and is authorized based on the finding that the Oregon Manufacturing Innovation Center will enable and encourage the development of a robust manufacturing sector in the Oregon economy.

**SECTION 30.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults 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 that produces \$2 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 \$2 million in net proceeds and interest earnings must be transferred to the Department of Transportation for deposit in the DOT Economic Development Distributions Fund established in ORS 461.557 for distribution to the City of Portland for infrastructure improvements on SW Capitol Highway.

(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 roads are an integral part of the commercial and industrial infrastructure of this state and improvement to roads will promote economic development in this state.

**SECTION 31.** (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults 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 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 Department of Transportation for deposit in the DOT Economic Development Distributions Fund established in ORS 461.557 for distribution to Lane Transit District for upgrades and improvements to existing transit infrastructure.

(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 increasing capacity of mass transit systems promotes employment and economic development by enabling a larger pool of workers to travel to available jobs.

**SECTION 32.** (1) For the biennium beginning July 1, 2017, at the request of the State Parks and Recreation Department, the State Treasurer may issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that does not exceed \$5 million in net proceeds 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 State Parks and Recreation Department for deposit into the Oregon Main Street Revitalization Grant Program Fund established in ORS 390.264 to provide grants pursuant to ORS 390.262.

(3) The Legislative Assembly finds that the use of proceeds of lottery bonds issued pursuant to this section will create jobs, further economic development and enhance the economic vitality of Oregon downtowns and local communities by supporting projects that revitalize historic downtown commercial districts, redevelop and reuse existing buildings, facilitate small business relocation and expansion initiatives and provide assistance, training and technical services.

**SECTION 33.** Section 18, chapter 786, Oregon Laws 2013, is amended to read:

**Sec. 18.** (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department of Administrative Services, after the department consults with the Port of Umatilla and the Confederated Tribes of the Umatilla Indian Reservation, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$3.5 million in net proceeds and interest earnings 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 \$3.5 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established by section 23 of this 2013 Act for distribution to the Confederated Tribes of the Umatilla Indian Reservation for the purpose of acquiring, developing and constructing a [*1.5-mile*] **1-mile** road extension connecting the Port of Umatilla to certain industrial lands of the Confederated Tribes of the Umatilla Indian Reservation.

(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 extension of the road will create jobs and facilitate access and development of industrial lands.

**SECTION 34.** Section 23, chapter 812, Oregon Laws 2015, is amended to read:

**Sec. 23.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon Department of Administrative Services, after the department consults with Wheeler County, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2 million in net proceeds and interest earnings 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 \$2 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to Wheeler County for the purpose of funding the construction of [*an underground fiber optic telecommunication line*] **a telecommunication system**.

(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 construction of a [*fiber optic telecommunication line*] **telecommunication system** in Wheeler County will bring telecommuting jobs into the county and will expand future opportunities for economic development in the John Day river basin.

**SECTION 35.** **This 2017 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect July 1, 2017.**

**Passed by Senate July 6, 2017**

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House July 7, 2017**

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Tina Kotek, Speaker of House

**Received by Governor:**

.....M,....., 2017

**Approved:**

.....M,....., 2017

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Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2017

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Dennis Richardson, Secretary of State