House Bill 5030

Introduced and printed pursuant to House Concurrent Resolution 23 (2023) (at the request of Oregon Department of Administrative Services)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Modifies amount of lottery bonds authorized to be issued for specified state agencies. Authorizes issuance of various other lottery bonds.

Establishes funds, or provides for deposit of moneys into existing funds, and appropriates moneys for projects financed.

Declares emergency, effective July 1, 2023.

A BILL FOR AN ACT

2 Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and section 4, chapter

3 906, Oregon Laws 2009; and declaring an emergency.

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

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

6 285B.551. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department

7 of Administrative Services, after the department consults with the Oregon Business Development

8 Department, the State Treasurer is authorized to issue lottery bonds:

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

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

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

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(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

Note: For budget, see 2023-2025 Biennial Budget

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 for farms and businesses throughout Oregon and the region.

2 (c) Such financial and other assistance to municipalities, ports and other persons and entities 3 and the deepening of the Columbia River channel will therefore promote economic development 4 within this state, and thus the use of net proceeds derived from the operation of the Oregon State 5 Lottery to pay debt service on lottery bonds issued under this section to provide such financial and 6 other assistance to municipalities, ports and other persons and entities and to pay a portion of the 7 costs of deepening the Columbia River channel is an authorized use of state lottery funds under 8 section 4, Article XV of the Oregon Constitution, and ORS 461.510.

9 (d) The current lower Columbia River estuary habitat for listed endangered or threatened spe-10 cies of Columbia River anadromous salmonids could be improved through ecosystem restoration 11 projects. The use of the Oregon State Lottery to pay debt service on lottery bonds issued under this 12 section to pay for studying how the estuary could be improved and to pay for ecosystem restoration 13 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 [\$386,226,252] \$436,226,252 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.

27(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 28State Treasury separate and distinct from the General Fund. Interest earned by the Economic 2930 Infrastructure Project Fund shall be credited to the fund. All moneys in the Economic Infrastructure 31 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 32used, any purpose for which moneys in the Water Fund created by ORS 285B.563 may be used, any 33 34 purpose for which moneys in the Safe Drinking Water Revolving Loan Fund created by ORS 35 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 36 37 Fund created by ORS 285A.188 may be used, any purpose for which moneys in the Oregon Business 38 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 39 40 Oregon Business Development Department shall allocate the moneys deposited in the Economic 41 Infrastructure Project Fund for the purposes described in this subsection in accordance with the 42priorities 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 43 deposit into the Channel Deepening Account of the Marine Navigation Improvement Fund the pro-44 ceeds of any lottery bonds sold to finance a portion of the costs of the Columbia River channel 45

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.

8 (5) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(c) of this 9 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 10 Treasurer to be necessary to pay bond-related costs. The net proceeds of lottery bonds issued pur-11 12 suant to subsection (1)(c) of this section shall be deposited in the Oregon Business, Innovation and 13 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 14 15 prior to August 9, 2001. The director may not request the issuance of lottery bonds under subsection 16 (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. 17

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

20 <u>SECTION 2.</u> (1) For the biennium beginning July 1, 2023, at the request of the Oregon 21 Department of Administrative Services, after the department consults with the Oregon 22 Business Development Department, the State Treasurer is authorized to issue lottery bonds 23 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$500,000 in net proceeds 24 for the purposes described in subsection (2) of this section, plus an additional amount esti-25 mated 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
 Oregon Business Development Department for deposit in the Special Public Works Fund,
 established in ORS 285B.455, for the purpose of providing matching funds for the U.S. De partment of Housing and Urban Development Community Development Block Grants.

(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
providing matching funds allows utilization of federal funding for eligible infrastructure and
community facility-related projects that primarily serve low and moderate income
Oregonians, as defined by the U.S. Department of Housing and Urban Development, will
further economic development.

<u>SECTION 3.</u> (1) For the biennium beginning July 1, 2023, 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 \$15 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 must be transferred to the
 Oregon Business Development Department for deposit in the Safe Drinking Water Revolving
 Loan Fund for the purpose of providing matching funds for the U.S. Environmental Pro-

1 tection Agency Drinking Water State Revolving Loan Fund program.

(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
providing matching funds allows utilization of federal funding to provide grant and loan funds
to help fund planning, design and construction of drinking water facility improvements for
local communities.

8 <u>SECTION 4.</u> (1) For the biennium beginning July 1, 2023, at the request of the Oregon 9 Department of Administrative Services, after the department consults with the Oregon 10 Business Development Department, the State Treasurer is authorized to issue lottery bonds 11 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$15 million in net proceeds 12 for the purposes described in subsection (2) of this section, plus an additional amount esti-13 mated 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
 Oregon Business Development Department for deposit in the Levee Project Grant Fund es tablished in ORS 285B.421 for the purpose of providing grants under ORS 285B.420 for levee
 projects as defined in ORS 285B.410.

(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) 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.

26 <u>SECTION 5.</u> (1) For the biennium beginning July 1, 2023, at the request of the Oregon 27 Department of Administrative Services, after the department consults with the Oregon 28 Business Development Department, the State Treasurer is authorized to issue lottery bonds 29 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$10 million in net proceeds 30 for the purposes described in subsection (2) of this section, plus an additional amount esti-31 mated 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
 Oregon Business Development Department for deposit in the Special Public Works Fund,
 established in ORS 285B.455, for the purpose of providing matching funds for emergency
 projects with federal financial assistance.

(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
 providing matching funds allows utilization of approved federal pre-disaster mitigation fund ing to further economic development.

41 <u>SECTION 6.</u> (1) For the biennium beginning July 1, 2023, at the request of the Oregon 42 Department of Administrative Services, after the department consults with the Oregon 43 Business Development Department, the State Treasurer is authorized to issue lottery bonds 44 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$100 million in net pro-45 ceeds for the purposes described in subsection (2) of this section, plus an additional amount 1 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
 Oregon Business Development Department for deposit in the Child Care Facility Capacity
 Program Fund established in section 7 of this 2023 Act.

5 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, 6 further economic development, finance public education or restore and protect parks, 7 beaches, watersheds and native fish and wildlife, and is authorized based on the following 8 findings:

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(a) Increasing the capacity of child care facilities will create jobs; and

(b) Providing additional opportunities for child care will allow more individuals needing

11 child care to seek employment, promoting economic growth.

<u>SECTION 7.</u> (1) The Child Care Facility Capacity Program Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Child Care Facility Capacity Program Fund must be credited to the fund. The Child Care Facility Capacity Program Fund consists of moneys deposited in the fund under section 6 of this 2023 Act, 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 Oregon Business Develop ment Department for the purpose of providing grants to increase child care facility capacity.
 SECTION 8. (1) For the biennium beginning July 1, 2023, at the request of the Oregon

Department of Administrative Services, after the department consults with the Department of Education, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$15 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 must be transferred to the
 Department of Education for deposit in the Connecting Oregon Schools Fund, established in
 ORS 276A.424, for providing matching funds for federal moneys received by school districts
 for the purpose of providing broadband access to eligible schools in this state.

(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) Assisting school districts with matching funds promotes expansion of access to high speed broadband for public education; and

36 (b) Providing financial assistance to school districts for building connections to 37 broadband infrastructure will enhance community efforts to promote economic growth.

SECTION 9. 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, section 4, chapter 66, Oregon Laws 2016, section
 7, chapter 748, Oregon Laws 2017, section 7, chapter 671, Oregon Laws 2019, and section 4, chapter
 682, Oregon Laws 2021, is amended to read:

43 Sec. 4. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of
 44 Administrative Services, after the department consults with the Housing and Community Services
 45 Department, the State Treasurer is authorized to issue lottery bonds for the Housing and Community

1 Services Department to provide financial assistance to aid in the acquisition, renovation or mainte-

2 nance of properties with project-based federal rental assistance contracts, public housing undergoing

3 significant recapitalization or publicly supported housing as defined in ORS 456.250, or to preserve

4 the affordability of manufactured dwelling parks.

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

6 (a) Individuals who are at risk of homelessness or who otherwise pay a disproportionate share 7 of income for housing increase their potential for self-sufficiency, and use proportionately fewer 8 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 [\$58,801,718] \$158,801,718 plus an additional amount estimated
by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

13 <u>SECTION 10.</u> (1) For the biennium beginning July 1, 2023, at the request of the Oregon 14 Department of Administrative Services, after the department consults with the Water Re-15 sources Department, the State Treasurer is authorized to issue lottery bonds pursuant to 16 ORS 286A.560 to 286A.585 in an amount that produces \$2,000,000 in net proceeds for the 17 purposes described in subsection (2) of this section, plus an additional amount estimated by 18 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 in section 10, chapter 906, Oregon Laws 2009, to finance grants for feasi bility 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) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems
 enhances community development and supports Oregon's economic growth; and

(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.

<u>SECTION 11.</u> (1) For the biennium beginning July 1, 2023, 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 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 must be transferred to the
Water Resources Department for deposit in the Water Supply Development Account, established in ORS 541.656, for providing grants or loans to evaluate, plan and develop in-stream
and out-of-stream statewide water development projects.

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

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(a) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems 1 2 enhances community development and supports Oregon's economic growth; and

(b) Assisting local governments to mitigate losses resulting from reduced water supply 3 for irrigation and retirement of water rights will enhance community efforts to facilitate and 4 promote economic growth. $\mathbf{5}$

SECTION 12. (1) For the biennium beginning July 1, 2023, at the request of the Oregon 6 Department of Administrative Services, after the department consults with the State Parks 7 and Recreation Department, the State Treasurer may issue lottery bonds pursuant to ORS 8 9 286A.560 to 286A.585 in an amount that produces \$20 million in net proceeds for the purposes described in subsection (2) of this section, plus an additional amount estimated by the State 10 Treasurer to be necessary to pay bond-related costs. 11

12(2) Net proceeds of lottery bonds issued under this section must be transferred to the 13 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 14 15 ORS 390.262.

16(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 eco-17 18 nomic vitality of Oregon downtowns and local communities by supporting projects that revitalize historic downtown commercial districts, redevelop and reuse existing buildings, 19 20 facilitate small business relocation and expansion initiatives and provide assistance, training and technical services. 21

22SECTION 13. (1) For the biennium beginning July 1, 2023, at the request of the Oregon Department of Administrative Services, after the department consults with the Oregon 23Health Authority, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 24 25286A.560 to 286A.585 in an amount that produces \$100 million in net proceeds for the purposes described in subsection (2) of this section, plus an additional amount estimated by the State 2627Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section must be transferred to the 28Oregon Business Development Department for deposit in the Community Acute Psychiatric 2930 Facility Capacity Program Fund established in section 14 of this 2023 Act.

31 (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, 32beaches, watersheds and native fish and wildlife, and is authorized based on the following 33 34 findings:

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(a) Increasing the capacity of acute psychiatric facilities will create jobs; and

(b) Providing additional opportunities for treatment will allow for economic growth in 36 37 local communities.

38 SECTION 14. (1) The Community Acute Psychiatric Facility Capacity Program Fund is established in the State Treasury, separate and distinct from the General Fund. Interest 39 earned by the Community Acute Psychiatric Facility Capacity Program Fund must be cred-40 ited to the fund. The Community Acute Psychiatric Facility Capacity Program Fund consists 41 of moneys deposited in the fund under section 13 of this 2023 Act, moneys appropriated, al-42 located, deposited, or transferred to the fund by the Legislative Assembly or otherwise and 43 interest earned on moneys in the fund. 44

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(2) Moneys in the fund are continuously appropriated to _____ for the purpose of provid-

1 ing grants to increase community acute psychiatric facility capacity.

2 <u>SECTION 15.</u> (1) For the biennium beginning July 1, 2023, at the request of the Oregon 3 Department of Administrative Services, after the department consults with the Willamette 4 Falls Locks Authority, the State Treasurer is authorized to issue lottery bonds pursuant to 5 ORS 286A.560 to 286A.585 in an amount that produces \$7.25 million in net proceeds for the 6 purposes described in subsection (2) of this section, plus an additional amount estimated by 7 the State Treasurer to be necessary to pay bond-related costs.

8 (2) Net proceeds of lottery bonds issued under this section must be transferred to the 9 department for deposit in the ODAS Economic Development Distributions Fund, established 10 under ORS 461.553, for distribution to the Willamette Falls Locks Authority for restoration 11 of the Willamette Falls navigation canal and locks.

(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 restoration of the Willamette Falls navigation canal and locks will enhance the economic viability of the region, increase opportunities for commercial transportation and offer opportunities for recreation and transportation.

18 <u>SECTION 16.</u> (1) For the biennium beginning July 1, 2023, at the request of the Oregon 19 Department of Administrative Services, after the department consults with the City of 20 Woodburn, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 21 286A.560 to 286A.585 in an amount that produces \$15 million in net proceeds for the purposes 22 described in subsection (2) of this section, plus an additional amount estimated by the State 23 Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section 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 for construction of 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.

33 <u>SECTION 17.</u> This 2023 Act being necessary for the immediate preservation of the public
 34 peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect
 35 July 1, 2023.

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