

**A-Engrossed
Senate Bill 71**

Ordered by the Senate April 14
Including Senate Amendments dated April 14

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Department of Transportation)

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.

Authorizes issuance of lottery bonds for transportation projects. **Establishes Multimodal Transportation Fund to finance Department of Transportation loans and grants to public bodies and private entities.** Specifies uses of moneys.

[Sunsets January 2, 2008.]

Declares emergency, effective July 1, 2005.

A BILL FOR AN ACT

1
2 Relating to financing for transportation projects; appropriating money; and declaring an emergency.

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

4 **SECTION 1. (1) As used in sections 1 to 6 of this 2005 Act, "transportation project" has**
5 **the meaning given that term in ORS 367.010.**

6 **(2) The Multimodal Transportation Fund is established separate and distinct from the**
7 **General Fund. Earnings on moneys in the Multimodal Transportation Fund shall be deposited**
8 **into the fund. Moneys in the Multimodal Transportation Fund are continuously appropriated**
9 **to the Department of Transportation for the purposes described in subsection (3) of this**
10 **section and in section 6 of this 2005 Act.**

11 **(3) The department shall use moneys in the Multimodal Transportation Fund to provide**
12 **grants and loans for transportation projects as provided in sections 1 to 6 of this 2005 Act.**
13 **Grants and loans may be provided only for projects that involve one or more of the following**
14 **modes of transportation:**

15 **(a) Air;**

16 **(b) Marine;**

17 **(c) Public transit; and**

18 **(d) Rail.**

19 **(4) All moneys received by the department as interest on loans made under this section**
20 **and as repayment of principal of loans made under this section shall be deposited into the**
21 **Multimodal Transportation Fund.**

22 **SECTION 2. (1) Pursuant to ORS 286.560 to 286.580, for the biennium beginning July 1,**
23 **2005, the State Treasurer may issue lottery bonds to finance grants and loans for transpor-**
24 **tation projects selected under section 4 of this 2005 Act.**

25 **(2) The use of lottery bond proceeds pursuant to this section is authorized based on the**

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 following findings:

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

4 (b) A safe, efficient and reliable transportation network supports the long-term economic
5 development and livability of this state. A multimodal network of public transit and air, rail,
6 highway and marine transportation moves people and goods efficiently.

7 (c) Local governments and private sector businesses often lack financing and the tech-
8 nical capacity to undertake multimodal transportation projects.

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

11 (e) Public investment in transportation infrastructure will create jobs and further eco-
12 nomic development in this state.

13 (3) The aggregate principal amount of lottery bonds issued pursuant to this section may
14 not exceed the sum of \$100 million plus an additional amount established by the State
15 Treasurer to pay bond-related costs. The State Treasurer may issue lottery bonds pursuant
16 to this section only at the request of the Director of Transportation.

17 (4) The net proceeds of the lottery bonds issued pursuant to this section shall be depos-
18 ited in the Multimodal Transportation Fund established by section 1 of this 2005 Act.

19 **SECTION 3.** (1) Except as provided in subsection (2) of this section, the Department of
20 Transportation may provide grants and loans for transportation projects from the Multi-
21 modal Transportation Fund established by section 1 of this 2005 Act to public bodies, as de-
22 fined in ORS 174.109, and to private entities with annual Oregon revenues of less than \$40
23 million.

24 (2) Grants and loans may not be made from the Multimodal Transportation Fund for
25 transportation projects that could constitutionally be funded by revenues described in section
26 3a, Article IX of the Oregon Constitution.

27 (3) The Department of Transportation shall adopt rules:

28 (a) Specifying the process by which a public body or private entity may apply for a loan
29 under this section and prescribing the terms and conditions of loans, including but not nec-
30 essarily limited to interest rates and repayment schedules; and

31 (b) Specifying the process by which a public body or private entity may apply for a grant
32 under this section and prescribing the terms and conditions of grants, including but not
33 necessarily limited to a requirement that the public body or private entity receiving the
34 grant provide at least 20 percent of the moneys required for the transportation project.

35 **SECTION 4.** (1) The Oregon Transportation Commission shall select transportation
36 projects to be funded with moneys in the Multimodal Transportation Fund established by
37 section 1 of this 2005 Act.

38 (2)(a) In selecting aeronautic and airport transportation projects, the commission shall
39 consider recommendations from the State Aviation Board.

40 (b) In selecting freight transportation projects, the commission shall consider recom-
41 mendations from the Freight Advisory Committee.

42 (c) In selecting public transit and rail projects, the commission shall consider recom-
43 mendations from its public transit and rail advisory committees.

44 (3) In addition to considering the recommendations described in subsection (2) of this
45 section, in selecting transportation projects the commission shall consider:

1 (a) Whether a proposed transportation project results in an economic benefit to the
2 state;

3 (b) Whether a proposed transportation project requires an ongoing commitment of state
4 resources;

5 (c) How much of the cost of a proposed transportation project can be borne by applicants
6 for the grant or loan and sponsors of the transportation project;

7 (d) Whether a proposed transportation project creates construction or permanent jobs
8 in the state;

9 (e) Whether a proposed transportation project will be ready for construction or, if the
10 project does not involve construction, whether the project will be at a comparable stage,
11 within 180 days of receipt by the applicant of the grant or loan;

12 (f) Whether a proposed transportation project is a critical link in a statewide or regional
13 transportation system that will measurably improve utilization and efficiency of the system;

14 (g) Whether a proposed transportation project benefits or connects two or more modes
15 of transportation described in section 1 (3) of this 2005 Act; and

16 (h) Whether a proposed transportation project, if it is a freight project, reduces transit
17 times and shipping costs for Oregon businesses.

18 (4) The State Aviation Board, the Freight Advisory Committee and the public transit and
19 rail advisory committees may recommend transportation projects to the Oregon Transpor-
20 tation Commission for consideration for funding from the Multimodal Transportation Fund.
21 In developing recommendations, the State Aviation Board and the advisory committees shall
22 consider the factors set forth in subsection (3) of this section.

23 **SECTION 5.** (1) The Oregon Transportation Commission shall allocate at least 15 percent
24 of the net proceeds of the lottery bonds authorized by section 2 of this 2005 Act to each
25 congressional district in this state and may not allocate more than 30 percent of the net
26 proceeds to any one congressional district.

27 (2) The commission shall use 40 percent of the net proceeds of the lottery bonds au-
28 thorized by section 2 of this 2005 Act for loans and 60 percent for grants.

29 **SECTION 6.** (1) The Oregon Transportation Commission shall transfer moneys for aer-
30 onautic and airport transportation projects selected under section 4 of this 2005 Act from the
31 Multimodal Transportation Fund to the Oregon Department of Aviation, which shall admin-
32 ister the projects. The amount transferred shall include moneys to pay administrative costs
33 incurred by the Oregon Department of Aviation in carrying out the provisions of sections 1
34 to 6 of this 2005 Act.

35 (2) Except as provided in subsection (1) of this section, the Department of Transportation
36 shall administer all transportation projects that are selected under section 4 of this 2005 Act.
37 The department may use moneys from the Multimodal Transportation Fund to pay adminis-
38 trative costs incurred by the department in carrying out the provisions of sections 1 to 6 of
39 this 2005 Act.

40 **SECTION 7.** This 2005 Act being necessary for the immediate preservation of the public
41 peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect
42 July 1, 2005.