

C-Engrossed Senate Bill 71

Ordered by the House August 2
Including Senate Amendments dated April 14 and House Amendments
dated July 21 and August 2

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.

Prohibits Port of Portland from expending moneys to finance transportation projects consisting of certain capital improvements to certain property in Troutdale, Oregon. Sunsets January 1, [2014] 2012.

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) Rail; and**

18 **(d) Public transit.**

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-**

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 tation projects selected under section 4 of this 2005 Act.

2 (2) The use of lottery bond proceeds pursuant to this section is authorized based on the
3 following findings:

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

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

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

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

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

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

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

21 **SECTION 3.** (1) Except as provided in subsection (2) of this section, the Department of
22 Transportation may provide, from moneys in the Multimodal Transportation Fund estab-
23 lished by section 1 of this 2005 Act:

24 (a) Grants for transportation projects to public bodies, as defined in ORS 174.109, and to
25 private entities; and

26 (b) Loans for transportation projects to public bodies, as defined in ORS 174.109, and to
27 private entities.

28 (2) Grants and loans may not be made from the Multimodal Transportation Fund for
29 transportation projects that could constitutionally be funded by revenues described in section
30 3a, Article IX of the Oregon Constitution.

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

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

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

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

42 (2)(a) Prior to selecting aeronautic and airport transportation projects, the commission
43 shall solicit recommendations from the State Aviation Board.

44 (b) Prior to selecting freight transportation projects, the commission shall solicit rec-
45 ommendations from the Freight Advisory Committee.

1 (c) Prior to selecting public transit and rail projects, the commission shall solicit rec-
2 ommendations from its public transit and rail advisory committees.

3 (3) In selecting transportation projects the commission shall consider:

4 (a) Whether a proposed transportation project reduces transportation costs for Oregon
5 businesses;

6 (b) Whether a proposed transportation project benefits or connects two or more modes
7 of transportation;

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

10 (d) How much of the cost of a proposed transportation project can be borne by the ap-
11 plicant for the grant or loan;

12 (e) Whether a proposed transportation project creates construction and permanent jobs
13 in this state; and

14 (f) Whether a proposed transportation project is ready for construction.

15 **SECTION 5.** The Oregon Transportation Commission shall allocate at least 15 percent of
16 the net proceeds of the lottery bonds authorized by section 2 of this 2005 Act to each region
17 described in this section. For purposes of this section, the regions are as follows:

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

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

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

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

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

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

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

38 **SECTION 7.** The Port of Portland may not expend any moneys to finance transportation
39 projects that consist of capital improvements on the property in Troutdale, Oregon, formerly
40 known as the Reynolds Aluminum property, if the capital improvements are intended to al-
41 low use of the facility as an intermodal transportation facility primarily focused on rail
42 transportation. This section does not prohibit financing construction of individual rail spurs
43 or individual rail tracks to serve individual buildings on the property.

44 **SECTION 8.** Section 7 of this 2005 Act is repealed on January 1, 2012.

45 **SECTION 9.** This 2005 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**
2 **July 1, 2005.**
3 _____