

Senate Bill 777

Sponsored by Senator B STARR; Senators METSGER, WHITSETT, Representatives BEYER, GILMAN

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**.

Establishes Multimodal Transportation Fund to make loans to public bodies and private entities for transportation projects. Authorizes issuance of \$200 million in lottery bonds for fund. Requires that moneys from interest on loans and repayment of principal of loans be deposited into Oregon Transportation Infrastructure Fund.

Sunsets fund on January 2, 2008.

Declares emergency, effective July 1, 2005.

A BILL FOR AN ACT

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

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

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

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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 Oregon Transportation Infrastructure Fund established by ORS 367.015. Moneys in**
9 **the Multimodal Transportation Fund are continuously appropriated to the Department of**
10 **Transportation for the purpose described in subsection (3) of this section.**

11 **(3) The department shall use moneys in the Multimodal Transportation Fund to provide**
12 **loans for transportation projects as provided in sections 3 and 4 of this 2005 Act.**

13 **(4) All moneys received by the department as interest on loans made under this section**
14 **and as repayment of principal of loans made under this section shall be deposited into the**
15 **Oregon Transportation Infrastructure Fund established by ORS 367.015.**

16 **SECTION 2. (1) Pursuant to ORS 286.560 to 286.580, for the biennium beginning July 1,**
17 **2005, the State Treasurer may issue lottery bonds for the purpose of providing funds for the**
18 **Multimodal Transportation Fund established by section 1 of this 2005 Act.**

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

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

23 **(b) A safe, efficient and reliable transportation network supports the long-term economic**
24 **development and livability of this state. A multimodal network of public transit and air, rail,**
25 **highway and water transportation moves people and goods efficiently.**

26 **(c) Local governments and private sector businesses often lack financing and technical**
27 **capacity to undertake multimodal transportation projects.**

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

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

3 (3) The aggregate principal amount of lottery bonds issued pursuant to this section may
4 not exceed the sum of \$200 million, plus an additional amount established by the State
5 Treasurer to pay bond-related costs. The State Treasurer may issue lottery bonds pursuant
6 to this section only at the request of the Director of Transportation.

7 (4) The net proceeds of the lottery bonds issued pursuant to this section shall be deposited
8 in the Multimodal Transportation Fund established by section 1 of this 2005 Act.

9 **SECTION 3.** (1) Except as provided in subsection (2) of this section, the Department of
10 Transportation may lend moneys from the Multimodal Transportation Fund established by
11 section 1 of this 2005 Act to public bodies, as defined in ORS 174.109, and to private entities
12 for transportation projects.

13 (2) Loans may not be made from the Multimodal Transportation Fund for transportation
14 projects that could constitutionally be funded by revenues described in section 3a, Article IX
15 of the Oregon Constitution.

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

17 (a) Specifying the process by which a public body or private entity may apply for a loan
18 under this section; and

19 (b) Prescribing the terms and conditions of loans, including but not necessarily limited
20 to interest rates and repayment schedules.

21 **SECTION 4.** (1) The Oregon Transportation Commission shall select projects for which
22 loans will be made from the Multimodal Transportation Fund established by section 1 of this
23 2005 Act. The commission shall select projects from among those recommended as follows:

24 (a) From the State Aviation Board for aeronautic and airport transportation projects;

25 (b) From the Oregon Economic and Community Development Commission for marine and
26 port transportation projects;

27 (c) From the Freight Advisory Committee for freight transportation projects; and

28 (d) From advisory committees established by the Department of Transportation for rail
29 and public transit transportation projects.

30 (2) In selecting projects the commission shall consider:

31 (a) Whether a proposed transportation project results in economic benefit to the state;

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

34 (c) How much of the cost of the proposed transportation project can be borne by appli-
35 cants for the loan and sponsors of the project;

36 (d) Whether the proposed transportation project creates construction or permanent jobs
37 in the state; and

38 (e) Whether the proposed transportation project is ready for construction.

39 (3) The commission may not allocate more than 10 percent of the lottery bond proceeds
40 authorized by section 2 of this 2005 Act to a single transportation project or to a single
41 sponsoring entity.

42 **SECTION 5.** (1) The Oregon Transportation Commission shall transfer moneys for aer-
43 onautic and airport transportation projects selected under section 4 of this 2005 Act to the
44 Oregon Department of Aviation, which shall administer the projects.

45 (2) The commission shall transfer moneys for marine and port transportation projects

1 selected under section 4 of this 2005 Act to the Economic and Community Development De-
2 partment, which shall administer the projects.

3 (3) Except as provided in subsections (1) and (2) of this section, the Department of
4 Transportation shall administer all transportation projects that are selected for funding un-
5 der section 4 of this 2005 Act.

6 SECTION 6. Any funds remaining in the Multimodal Transportation Fund on January 2,
7 2008, shall be transferred to the Oregon Transportation Infrastructure Fund established by
8 ORS 367.015.

9 SECTION 7. Sections 1 to 6 of this 2005 Act are repealed on January 2, 2008.

10 SECTION 8. The repeal of sections 1 to 6 of this 2005 Act by section 7 of this 2005 Act
11 does not affect the terms or conditions of any loan made to a public body or private entity
12 under the provisions of sections 1 to 6 of this 2005 Act. Moneys received by the Department
13 of Transportation on or after the repeal of sections 1 to 6 of this 2005 Act that are interest
14 on loans made pursuant to sections 1 to 6 of this 2005 Act or are repayment of principal of
15 such loans shall be deposited into the Oregon Transportation Infrastructure Fund established
16 by ORS 367.015.

17 SECTION 9. This 2005 Act being necessary for the immediate preservation of the public
18 peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect
19 July 1, 2005.
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