

**Enrolled**  
**House Bill 5030**

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Oregon Department of Administrative Services)

CHAPTER .....

AN ACT

Relating to lottery bonds; creating new provisions; amending ORS 285B.551 and sections 13 and 14, chapter 746, Oregon Laws 2007, sections 4 and 10, chapter 906, Oregon Laws 2009, section 6, chapter 786, Oregon Laws 2013, and section 28, chapter 748, Oregon Laws 2017; 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 [~~\$336,226,252~~] **\$366,226,252** 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) For the biennium beginning July 1, 2019, 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 \$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 must be transferred to the Oregon Business Development Department for deposit in the Brownfields Redevelopment Fund established in ORS 285A.188 for the purposes described in ORS 285A.185 and 285A.188.

(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) Redevelopment of industrial-zoned brownfields improves the economy by returning the assessed value of the properties to the real market value for property taxation purposes; and

(b) The projects made possible through increased funding to evaluate, clean up and re-develop brownfields properties create jobs and further economic development.

**SECTION 3.** (1) For the biennium beginning July 1, 2019, 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 \$25 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, in an amount sufficient to provide:

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

(b) \$10 million in net proceeds to the Deschutes Basin Board of Control to modernize irrigation delivery systems infrastructure in the Deschutes Basin by piping open canals.

(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.

**SECTION 4.** (1) For the biennium beginning July 1, 2019, 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 \$4 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 Resources Department Water Supply Fund, established in section 10, chapter 906, Oregon Laws 2009, for distribution to the City of Newport for environmental permitting, planning and design costs for replacement of the Big Creek Dams.

(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.

**SECTION 5.** (1) For the biennium beginning July 1, 2019, 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 \$14 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 Resources Department Water Supply Fund, established in section 10, chapter 906, Oregon Laws 2009, for distribution to the Wallowa Lake Irrigation District for rehabilitation of the Wallowa Lake Dam.

(3) Lottery bonds authorized under this section may not be issued unless:

(a) The Wallowa Lake Irrigation District, State Department of Fish and Wildlife, Confederated Tribes of the Umatilla Indian Reservation and Nez Perce Tribe enter into an agreement regarding the protection and release of instream water from the Wallowa Lake Dam; and

(b) The Wallowa Lake Irrigation District submits a copy of the executed agreement to the Water Resources Department.

(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 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.

**SECTION 6.** Section 10, chapter 906, Oregon Laws 2009, as amended by section 5, chapter 624, Oregon Laws 2011, and section 14, chapter 812, Oregon Laws 2015, is amended to read:

**Sec. 10.** (1) The Water Resources Department Water Supply Fund is established separate and distinct from the General Fund. Interest earned on moneys deposited in the Water Resources Department Water Supply Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Water Resources Department.

(2) The Water Resources Department Water Supply Fund consists of:

(a) Net proceeds of lottery bonds issued pursuant to sections 8 and 9, chapter 906, Oregon Laws 2009, deposited into the Water Resources Department Water Supply Fund for the following purposes:

(A) \$2,500,000 for the purposes of issuing grants to develop Umatilla Basin critical ground water storage projects described in section 17, chapter 907, Oregon Laws 2009, and to provide or pay for services in connection with those projects.

(B) \$217,000 to pay for the operation of loan and grant programs under sections 18 to 27, chapter 907, Oregon Laws 2009.

(C) \$283,000 for the purpose of developing an integrated state water resources strategy to implement the state water resources policy pursuant to ORS 536.220 and section 45, chapter 907, Oregon Laws 2009.

(D) \$500,000 for purposes of the grant program established by section 1, chapter 13, Oregon Laws 2008.

(b) Net proceeds of lottery bonds issued pursuant to section 4, chapter 624, Oregon Laws 2011, in an amount sufficient to provide \$1,229,052 in net proceeds and interest earnings for the department to finance grants for feasibility studies for water conservation, reuse and storage projects.

(c) \$11 million in net proceeds and interest earnings pursuant to section 13 [of this 2015 Act], **chapter 812, Oregon Laws 2015**, to develop and implement water storage systems and delivery infrastructure, implement conservation and reuse projects or provide access to new water supplies.

(d) \$750,000 in net proceeds and interest earnings pursuant to section 13 [of this 2015 Act], **chapter 812, Oregon Laws 2015**, to provide grants for place-based planning.

(e) \$1 million in net proceeds and interest earnings pursuant to section 13 [of this 2015 Act], **chapter 812, Oregon Laws 2015**, to repair, replace or remediate water wells in the Mosier Creek area.

**(f) \$4 million in net proceeds pursuant to section 4 of this 2019 Act for environmental permitting, planning and design costs for replacement of the Big Creek Dams.**

**(g) \$14 million in net proceeds pursuant to section 5 of this 2019 Act for rehabilitation of the Wallowa Lake Dam.**

[*f*] **(h)** Any other fees, revenues or income deposited in the fund by the Legislative Assembly.

**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, section 4, chapter 66, Oregon Laws 2016, and section 7, chapter 748, Oregon Laws 2017, 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*] **properties with project-based federal rental assistance contracts, public housing undergoing significant recapitalization or publicly supported housing as defined in ORS 456.250, or to preserve the affordability of manufactured dwelling parks.**

(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 [*\$58,801,718*] **\$83,801,718** 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, 2019, 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 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 Housing and Community Services Department for deposit in the Housing Acquisition Fund, established in section 9 of this 2019 Act, to provide funding for loans to purchasers of naturally occurring affordable housing.

(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) Providing financing to purchasers of naturally occurring affordable housing aids in prevention of displacement of existing low and moderate income residents, providing stable housing to promote self-sufficiency; and

(b) Preserving quality housing to aid in preventing homelessness is essential to Oregon's healthy economic growth.

**SECTION 9.** (1) The Housing Acquisition Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Housing Acquisition Fund must be credited to the fund. The Housing Acquisition Fund consists of moneys deposited in the fund under section 8 of this 2019 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 Housing and Community Services Department for disbursement for the purposes set forth in section 8 of this 2019 Act.

**SECTION 10.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Oregon Coast Aquarium, 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 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Oregon Coast Aquarium for capital improvements to the Oregon Coast Aquarium in Newport, including construction of a marine wildlife rehabilitation and education center.

(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) Providing financing to enhance the educational resources of the Oregon Coast Aquarium promotes learning about the coastal environment, sustainable practices and marine science careers; and

(b) Providing facilities to treat and rehabilitate stranded and endangered marine wildlife animals will help to protect aquatic life important to the Oregon coast.

**SECTION 11.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Center for Hope and Safety, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2.5 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 must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Center for Hope and Safety for construction of HOPE Plaza at the site of the former Greyhound Bus Terminal in Salem, which will include

space for businesses that provide job training and services to survivors of domestic violence, sexual assault, stalking and human trafficking, as well as transitional and permanent housing for survivors.

(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) Programs that support survivors reduce the financial and economic burden domestic violence imposes on individuals and the community;

(b) Providing services and job training to survivors increases their workforce participation and productivity; and

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

**SECTION 12.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the City of Gresham, 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 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the City of Gresham for expansion of the Gradin Community Sports Park to include additional fields and amenities.

(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 13.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the City of Roseburg, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$10 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the City of Roseburg for the Southern Oregon Medical Workforce Center project, which will establish a medical training facility in Roseburg.

(3) Lottery bonds authorized under this section may not be issued until the City of Roseburg certifies that:

(a) The Southern Oregon Medical Workforce Center project has successfully completed the Oregon Solutions process; and

(b) Matching funds in an amount at least equal to the amount of net proceeds of lottery bonds issued under this section are available to the city for the purpose described in subsection (2) of this section.

(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 the finding that training the state's healthcare workforce is essential to Oregon's healthy economic growth.

**SECTION 14.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Curry Health District, 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 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Curry Health District for creation of an emergency room, including acquisition of emergency services equipment, in the Curry Medical Center in Brookings.

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

**SECTION 15.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Eugene Family YMCA, 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Eugene Family YMCA to construct a new YMCA facility in Eugene.

(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 16.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Hacienda Community Development Corporation, 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 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Hacienda Community Development Corporation for construction of community spaces in the Las Adelitas housing 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 finding that creation of community spaces will accommodate youth and family services, economic opportunity services and small business development services, which facilitate and encourage economic development.

**SECTION 17.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with Jefferson County, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$4.1 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 for deposit in the ODAS Economic Development Distributions Fund established



under ORS 461.553 for distribution to Jefferson County for construction of the Jefferson County Health and Wellness Center, including associated utility, transit and parking 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 expanding access to health care for all members of the workforce will promote economic development.

**SECTION 18.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with Multnomah County School District No. 7, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2,331,872 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to Multnomah County School District No. 7 for construction of a school-based health center at Reynolds High School in Troutdale. The project also includes renovation of existing classroom space to establish a temporary health center that will be restored upon completion of the permanent health center.

(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) Funding construction of public school facilities finances public education; and
- (b) Student access to healthcare services improves educational outcomes and attainment.

**SECTION 19.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with Parrott Creek Child and Family Services, 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 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to Parrott Creek Child and Family Services to update and renovate buildings using trauma-informed designs to better serve high-need children and teens in the juvenile and child welfare systems.

(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 20.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Port of Cascade Locks, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2.4 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Port of Cascade Locks to construct buildings and upgrade and expand infrastructure in the Port of Cascade Locks Business Park.

(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 assisting in the establishment and expansion of businesses in Oregon and in the construction, improvement and expansion of infrastructure that comprises the physical foundation for industrial and commercial activities provide the basic framework for continued and expanded economic opportunities and quality communities.

**SECTION 21.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Port of Morrow, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1.4 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Port of Morrow for expansion of the Early Learning Center at the Port of Morrow.

(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) More Oregonians will attend workforce training if early education options are available for their children. Greater numbers of Oregonians who are trained in workforce skills will lead to enhanced economic development.

(b) Early education is a necessary component of a climate that facilitates and encourages economic development.

**SECTION 22.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with Umatilla County, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1.6 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to Umatilla County for renovation and expansion of the Umatilla County Jail to provide space for mental health care 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 facilities and services are necessary components of a climate that facilitates and encourages economic development.

**SECTION 23.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Wallowa Valley Center for Wellness, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$2.5 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 must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Wallowa Valley Center for Wellness to build an integrated health services facility in Enterprise.

(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 access to health and mental health care for all members of the workforce will promote economic development.

**SECTION 24.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the YMCA of Columbia-Willamette, 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 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 for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the YMCA of Columbia-Willamette to purchase the Beaverton Hoop YMCA property, which encompasses approximately five acres and two buildings. The project also includes repurposing the second building to accommodate addition of a Child Development Center and YMCA office space.

(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 25.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Higher Education Coordinating Commission, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$6.5 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 must be transferred to the Higher Education Coordinating Commission for deposit in the Facility for Agricultural Resource Management Fund, established in section 26 of this 2019 Act, to provide a grant to the Blue Mountain Community College to design and construct a new facility for animal science programs, including veterinary technician, livestock breeding and equine health management.

(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) Providing financing to build a community college agricultural education building expands opportunities for hands-on learning; and

(b) Having facilities to prepare students for agricultural careers helps to support Oregon's rural agricultural economy.

**SECTION 26.** (1) The Facility for Agricultural Resource Management Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Facility for Agricultural Resource Management Fund must be credited to the fund. The Facility for Agricultural Resource Management Fund consists of moneys deposited in the fund under section 25 of this 2019 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 Higher Education Coordinating Commission for disbursement for the purposes set forth in section 25 of this 2019 Act.

**SECTION 27.** (1) For the biennium beginning July 1, 2019, 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 \$1.88 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 OBDD Economic Development Distributions Fund established under section 28, chapter 748, Oregon Laws 2017, for distribution to the City of Mill City for storm drainage system improvements.

(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 stormwater systems are an integral part of the commercial and industrial infrastructure of this state, and improvements to stormwater systems will promote economic development in this state.

**SECTION 28.** (1) For the biennium beginning July 1, 2019, 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 \$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 Oregon Business Development Department for deposit in the OBDD Economic Development Distributions Fund established under section 28, chapter 748, Oregon Laws 2017, for distribution to the City of Salem for drinking water system improvements.

(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 drinking water systems are an integral part of the commercial and industrial infrastructure of this state, and improvements to drinking water systems will promote economic development in this state.

**SECTION 29.** (1) For the biennium beginning July 1, 2019, 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 \$7 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 OBDD Economic Development Distributions Fund established under section 28, chapter 748, Oregon Laws 2017, for distribution to the City of Sweet Home for rehabilitating 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 finding that wastewater treatment systems are an integral part of the commercial and industrial infrastructure of this state, and improvement of a wastewater treatment plant will promote economic development.

**SECTION 30.** (1) For the biennium beginning July 1, 2019, 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 \$7.8 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 OBDD Economic Development Distributions Fund established under section 28, chapter 748, Oregon Laws 2017, for distribution to the Confederated Tribes of the Warm Springs Reservation of Oregon for improvements to the Warm Springs Wastewater Treatment Plant, installation of water meters and improvements to the water distribution 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 water and wastewater treatment systems are an integral part of the commercial and industrial infrastructure of this state, and improvements to water and wastewater treatment systems will promote economic development.

**SECTION 31.** (1) For the biennium beginning July 1, 2019, 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 \$1.7 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 OBDD Economic Development Distributions Fund established under section 28, chapter 748, Oregon Laws 2017, for distribution to the City of Hood River for replacement of the Hood River waterfront storm water line.

(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 stormwater systems are an integral part of the commercial and industrial infrastructure of this state and improvements to storm water systems will promote economic development in this state.

**SECTION 32.** Section 28, chapter 748, Oregon Laws 2017, is amended to read:

**Sec. 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 **must be credited to the fund. The OBDD Economic Development Distributions Fund** consists of moneys deposited in the fund under sections 26 and 27 [of this 2017 Act], **chapter 748, Oregon Laws 2017, and sections 27 to 31 of this 2019 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], **chapter 748, Oregon Laws 2017, and sections 27 to 31 of this 2019 Act.**

**SECTION 33.** (1) For the biennium beginning July 1, 2019, 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 Levee Project Grant Fund established under section 34 of this 2019 Act 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.

**SECTION 34.** (1) The Levee Project Grant Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Levee Project Grant Fund must be credited to the fund. The Levee Project Grant Fund consists of moneys deposited in the fund under section 33 of this 2019 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 Oregon Business Development Department for the Oregon Infrastructure Finance Authority to provide grants under ORS 285B.420 for levee projects as defined in ORS 285B.410.

(3) Grants from the fund for planning projects are limited to a maximum of \$2 million per applicant per biennium.

(4) Grants from the fund for construction or capital improvement projects may not exceed an amount equal to 80 percent of the total cost of the project.

(5) A grant may not be awarded from the fund unless the applicant pledges matching funds to the project of at least 20 percent of the amount of the grant.

**SECTION 35.** (1) For the biennium beginning July 1, 2019, 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 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 Cultural Resources Economic Fund established in section 6, chapter 786, Oregon Laws 2013, to provide the following grants:

(a) \$1.5 million to the Beaverton Arts Foundation for construction of the Patricia Reser Center for the Arts.

(b) \$1.5 million to the Lincoln City Cultural Center for development and renovation of the center's cultural plaza and exterior grounds.

(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 36.** Section 6, chapter 786, Oregon Laws 2013, as amended by section 27, chapter 812, Oregon Laws 2015, and section 23, chapter 748, Oregon Laws 2017, 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], **chapter 748, Oregon Laws 2017, and section 35 of this 2019 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 **Department** 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], **chapter 748, Oregon Laws 2017, and section 35 of this 2019 Act**.

**SECTION 37.** (1) For the biennium beginning July 1, 2019, 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 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 Transportation for deposit in the DOT Economic Development Distributions Fund established in ORS 461.557 for distribution to the City of Sherwood for pedestrian connection improvements between Sherwood East and West at or near the State Highway 99W and Sunset Boulevard intersection.

(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 a safe, efficient and reliable pedestrian and bicycle transportation network supports the long-term economic development and livability of this state.

**SECTION 38.** (1) For the biennium beginning July 1, 2019, 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 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 Transportation for deposit in the DOT Economic Development Distributions Fund established in ORS 461.557 for distribution to the Oregon International Port of Coos Bay for repair and replacement of bridge structures along the Coos Bay rail link, as defined in ORS 777.915.

(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 improvements in multimodal transportation systems are necessary to facilitate the flow of goods and services to national and international markets through the deep water port at Coos Bay.

**SECTION 39.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with the Department of Veterans' Affairs, 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 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 Veterans' Affairs for deposit in the Veterans' Affordable Housing Fund, established in section 40 of this 2019 Act, for distribution to the YMCA of Marion and Polk Counties to construct veterans' affordable housing 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 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 the demand for affordable housing.

**SECTION 40.** (1) The Veterans' Affordable Housing Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Veterans' Affordable Housing Fund must be credited to the fund. The Veterans' Affordable Housing Fund consists of moneys deposited in the fund under section 39 of this 2019 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 Veterans' Affairs for disbursement for the purposes set forth in section 39 of this 2019 Act.

**SECTION 41.** (1) For the biennium beginning July 1, 2019, at the request of the Oregon Department of Administrative Services, after the department consults with 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 produces \$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 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 42.** Section 13, chapter 746, Oregon Laws 2007, as amended by section 1, chapter 900, Oregon Laws 2009, section 1, chapter 754, Oregon Laws 2013, and section 3, chapter 815, Oregon Laws 2015, is amended to read:

**Sec. 13.** (1) In addition to amounts authorized under ORS 286.505 to 286.545 (2005 Edition) or pursuant to ORS 286A.035, the State Treasurer, at the request of the Director of the Oregon Business Development Department, may issue lottery bonds pursuant to ORS 286A.560 to 286A.585:

(a) In an amount of up to \$60 million for payment of the expenses of the Coos Bay Channel Project in increments described in subsection (2) of this section; and

(b) In an additional amount to be estimated by the State Treasurer for payment of bond-related costs of the Oregon Department of Administrative Services, the Oregon Business Development Department and the State Treasurer.

(2) The director shall request that the State Treasurer issue the amount of bonds described in subsection (1)(a) of this section in increments that allow the director, at the request of the primary sponsor, to transfer:

(a) In the biennium beginning July 1, 2007, up to \$5 million in net proceeds of lottery bonds to the Coos Bay Channel Fund established in section 15, chapter 746, Oregon Laws 2007, for distribution to the primary sponsor after the director finds that the primary sponsor has taken action pursuant to the grant agreement required in section 14, chapter 746, Oregon Laws 2007, that triggers the distribution of bond proceeds described in this paragraph.



(b) In the biennium beginning July 1, [2017] **2019**, up to \$15 million in net proceeds of lottery bonds, minus any other state funds secured by the primary sponsor in the interim period 2015 to 2016, to the Coos Bay Channel Fund established in section 15, chapter 746, Oregon Laws 2007, for distribution to the primary sponsor after the director finds that the primary sponsor has taken action pursuant to the grant agreement required in section 14, chapter 746, Oregon Laws 2007, that triggers the distribution of bond proceeds described in this paragraph.

(c) In the biennium beginning July 1, [2019] **2021**, up to \$40 million in net proceeds of lottery bonds to the Coos Bay Channel Fund established in section 15, chapter 746, Oregon Laws 2007, for distribution to the primary sponsor after the director finds that the primary sponsor has taken action pursuant to the grant agreement required in section 14, chapter 746, Oregon Laws 2007, that triggers the distribution of bond proceeds described in this paragraph.

**SECTION 43.** Section 14, chapter 746, Oregon Laws 2007, as amended by section 2, chapter 900, Oregon Laws 2009, section 2, chapter 754, Oregon Laws 2013, section 4, chapter 815, Oregon Laws 2015, and section 14, chapter 66, Oregon Laws 2016, is amended to read:

**Sec. 14.** (1) The Director of the Oregon Business Development Department shall enter into one or more grant agreements with the primary sponsor that require the Oregon Business Development Department to disburse, over the course of the project, an aggregate principal amount of \$60 million for payment of the expenses of the Coos Bay Channel Project, in the increments described in section 13 (2), chapter 746, Oregon Laws 2007, from the Coos Bay Channel Fund established pursuant to section 15, chapter 746, Oregon Laws 2007, to the primary sponsor. The department shall make disbursements from the fund as soon as bond proceeds are deposited in the fund.

(2) The one or more grant agreements must, subject to subsection (3) of this section, establish appropriate triggers for the incremental biennial distribution of bond proceeds described in section 13 (2), chapter 746, Oregon Laws 2007, based on appropriate measures of progress in completion of the project that are satisfactory to the director and consistent with prudent financial practices that reflect sound stewardship of public resources.

(3)(a) Prior to the distribution of the bond proceeds described in section 13 (2)(b), chapter 746, Oregon Laws 2007, the primary sponsor shall provide to the director a budget document outlining expenditures for the Coos Bay Channel Project and shall verify and certify to the director that the primary sponsor has prepared and submitted to the United States Army Corps of Engineers the tentatively selected plan report identifying the preferred alternative for the project.

(b) Prior to the distribution of the bond proceeds described in section 13 (2)(c), chapter 746, Oregon Laws 2007, the primary sponsor shall provide to the director a budget document outlining expenditures for the Coos Bay Channel Project and verify and certify to the director that:

(A) The final environmental impact statement and the draft record of decision have been issued in accordance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.);

(B) The Oregon International Port of Coos Bay has prepared and submitted to the United States Army Corps of Engineers a draft combined report pursuant to section 204 of the Water Resources Development Act of 1986 (P.L. 99-662) and section 14 of the Rivers and Harbors Appropriation Act of 1899 (33 U.S.C. 408) for technical agency review;

(C) The [*Director of Civil Works*] **Commander, Northwestern Division**, for the United States Army Corps of Engineers has approved the project pursuant to section 14 of the Rivers and Harbors Appropriation Act of 1899;

(D) The United States Army Corps of Engineers Portland District has issued permits for construction pursuant to section 404 of the Federal Water Pollution Control Act (P.L. 92-500), as amended, and section 10 of the Rivers and Harbors Appropriation Act of 1899; and

(E) The Assistant Secretary of the Army (Civil Works) for the United States Army Corps of Engineers has approved and executed an agreement pursuant to section 204(f) of the Water Resources Development Act of 1986.

(4) The State of Oregon and its agencies and departments are not liable to the lenders, vendors or contractors of the Oregon sponsors for any action or omission under sections 11 to 15, chapter 746, Oregon Laws 2007.

(5) By receipt of any part of net proceeds of lottery bonds described in section 13, chapter 746, Oregon Laws 2007, the primary sponsor agrees to indemnify the state and its agencies and departments to the fullest extent permitted by law for liability the state or its agencies and departments might incur in connection with any borrowing by the primary sponsor for the project.

(6) The director and the primary sponsor shall modify the existing grant agreement as may be necessary to incorporate the amendments to this section and section 13, chapter 746, Oregon Laws 2007, by sections 1 and 2, chapter 754, Oregon Laws 2013.

**SECTION 44. This 2019 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect July 1, 2019.**

**Passed by House June 26, 2019**

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate June 30, 2019**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2019

**Approved:**

.....M.,....., 2019

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Kate Brown, Governor

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

.....M.,....., 2019

.....  
Bev Clarno, Secretary of State