

SB 59 A STAFF MEASURE SUMMARY

Joint Committee On Transportation

Action Date: 05/20/19

Action: Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

Senate Vote

Yeas: 4 - Bentz, Beyer, Boquist, Frederick

Exc: 1 - Gelser

House Vote

Yeas: 7 - Evans, Findley, Lewis, McKeown, McLain, Noble, Witt

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Patrick Brennan, LPRO Analyst

Meeting Dates: 5/20

WHAT THE MEASURE DOES:

Authorizes the State Treasurer to issue lottery bonds for Connect Oregon Fund sufficient to generate \$50 million for grants for transportation projects. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- History of Connect Oregon program
- Benefits of program to small communities
- Methods of achieving economic development
- Impact of having no competitive grant program in 2017-18

EFFECT OF AMENDMENT:

Allocates \$50 million in lottery bond proceeds to the Connect Oregon Fund.

BACKGROUND:

The Oregon Lottery has contributed over \$11 billion to state funding since 1985 and is the second largest funding source in Oregon. In 2018, the lottery fund allocation was 53 percent education, 25.5 percent economic development, 7.5 percent state parks, 7.5 percent watershed and habitat restoration, one percent problem gambling treatment, 1.5 percent veteran services, and four percent outdoor school.

The Connect Oregon program was created in 2005 and is funded by tax-exempt, lottery-backed bonds. The program provides grant funding for four categories: air, rail, marine, and bicycle and pedestrian projects. Project examples include the Tillamook transit and visitor center, Columbia River rail corridor improvement, and Grant County airport terminal building. Instead of a competitive grant program, House Bill 2017 (2017) designated four specified projects to be funded through Connect Oregon for the 2017-19 biennium and provided \$30 million in lottery bond proceeds, as well as additional funding from the vehicle dealer privilege tax and bicycle excise tax, for those specific projects. Connect Oregon did not have a competitive grant process during the 2017-2019 biennium due to required funding allocations for the four projects outlined in House Bill 2017.