

HB 3392 STAFF MEASURE SUMMARY

Joint Committee On Transportation

Prepared By: Patrick Brennan, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 4/29

WHAT THE MEASURE DOES:

Creates the Short Line Resiliency Program within the Oregon Business Development Department to provide grants for short line railroad infrastructure projects. Establishes the Short Line Railroad Fund. Authorizes issuance of \$5 million in lottery bonds for deposit into the Fund to be used to make grants to short line railroad infrastructure projects. Directs Department to study and make recommendations for legislation to provide a long-term revenue source to finance grants for short line railroad infrastructure projects. Declares emergency, effective July 1, 2021.

NOTE - Measure has a subsequent referral to the Committee on Ways and Means

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Legislative Assembly created the Connect Oregon program in 2005, providing \$100 million in lottery-backed bond proceeds in each of the 2005, 2007, and 2009 sessions to provide competitive grants to aviation, marine, freight and passenger rail projects. Grant applications are reviewed and approved by the Oregon Transportation Commission. Later iterations added bicycle and pedestrian off-road projects and public transportation projects. Later iterations saw less money made available for Connect Oregon: \$40 million in 2011, \$42 million in 2013, and \$45 million in 2015.

In 2017, the Legislative Assembly enacted House Bill 2017, which created new funding streams for public transportation and for bicycle and pedestrian projects. The measure also restructured Connect Oregon, but did not provide funding for competitive grants. Instead, the measure provided direct funding for four rail projects, and specified that a new revenue source, a vehicle dealer privilege tax, would provide funding for the program once sufficient moneys had accumulated.

House Bill 3392 establishes a new grant program specifically for Class II and Class III short lie railroads, as well as the Short Line Railroad Fund and \$5 million in lottery bonds to populate the fund. The Oregon Business Development Department is tasked with administering the program, providing grants, convening a short line railroad advisory group, and studying and making recommendations regarding options for permanent funding for the program.