

SB 1110 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/20, 3/25

WHAT THE MEASURE DOES:

The measure authorizes the State Treasurer for the biennium beginning July 1, 2025, at the request of the Oregon Department of Administrative Services (DAS), to issue lottery bonds in an amount that produces \$8,750,000 in net proceeds and interest earnings plus an additional amount that the State Treasurer estimates is necessary to pay bond-related costs. The measurer specifies that the net proceeds of lottery bonds and interest earnings must be transferred to DAS for distribution to Williams & Russell CDC for the purpose of developing a business hub in Portland's Albina neighborhood that will provide office and retail space for entrepreneurs and community partner organizations in order to support small businesses, professional development, workforce training, and economic growth. These lottery bonds must be issued by June 30, 2026.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: Revenue lite

ISSUES DISCUSSED:

- Other funding sources for the business hub
- Scope of project
- Number of housing units planned adjacent to business hub
- History of the land sited for the business hub

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 1994, Oregon became the first state in the nation to implement a borrowing program using revenue bonds backed by lottery gaming revenues. The Lottery Revenue Bond program is administered by the Oregon Department of Administrative Services. Article XV, Section 4 of the Oregon Constitution and ORS 286A.560 through ORS 286A.585 govern the use of lottery revenue bonds. Article XV, Section 4 of the Oregon Constitution outlines what public purposes lottery revenue funds may be used for, such as creating jobs and financing public education. ORS 286A.566 requires that any legislation authorizing the issuance of lottery bonds must state the purpose for the proceeds of the lottery bonds and contain findings that the use of the lottery revenues is lawful, among other things.

The Williams and Russell CDC's stated mission is to "create an energetic community that supports the economic and community growth of Black Portlanders through the development of high-quality townhomes and apartments, and an energetic business and community hub." Williams and Russel CDC is currently working to create a business hub within a 1.7-acre block in Portland's Albina neighborhood that has been vacant.

Senate Bill 1110 authorizes the issuance of lottery bonds with the net proceeds and interest earnings distributed to Williams & Russell CDC for the purpose of developing a business hub in Portland's Albina neighborhood.