

Senate Bill 335

Sponsored by Senator JOHNSON (Presession filed.)

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**.

Abolishes Oregon Infrastructure Finance Authority Board and Oregon Infrastructure Finance Authority. Transfers responsibilities of board and authority to Oregon Business Development Department.

Authorizes department to create and Oregon Business Development Commission to appoint Infrastructure Advisory Committee to advise commission, Director of Oregon Business Development Department and department on matters of interest relating to infrastructure and public works programs.

Removes authority's responsibility for safety committee for Oregon coast.

Appropriates moneys in Oregon Infrastructure Finance Fund to department.

A BILL FOR AN ACT

Relating to governance of infrastructure development by Oregon Business Development Department; creating new provisions; amending ORS 197.723, 285A.010, 285A.103, 285A.213, 285A.306, 285A.600, 285A.615, 285A.627, 285A.654, 285A.657, 285A.660, 285A.669, 285A.672, 285A.678, 285A.681, 285A.684, 285A.687, 285A.693, 285A.702, 285A.705, 285A.708, 285B.410, 285B.413, 285B.419, 285B.422, 285B.437, 285B.440, 285B.455, 285B.460, 285B.462, 285B.465, 285B.467, 285B.470, 285B.503, 285B.506, 285B.512, 285B.515, 285B.533, 285B.563, 285B.572, 285B.581, 285B.584, 285B.590, 285B.593, 401.910, 468B.415, 777.267 and 777.282; and repealing ORS 285A.091, 285A.093, 285A.096, 285A.098, 285A.101, 285A.106 and 285A.108.

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

INFRASTRUCTURE ADVISORY COMMITTEE WITHIN OREGON BUSINESS DEVELOPMENT DEPARTMENT

SECTION 1. ORS 285A.091, 285A.093, 285A.096, 285A.098, 285A.101, 285A.106 and 285A.108 are repealed.

SECTION 2. (1) The Oregon Business Development Department may designate the creation of an Infrastructure Advisory Committee, at which time the Oregon Business Development Commission shall appoint nine members to the advisory committee. A person appointed as a member of the advisory committee must be an Oregon resident, well qualified by experience to make recommendations in matters involving infrastructure finance and development and appointed with consideration given to the person's knowledge and experience:

- (a) In the field of state and municipal finance;
- (b) Of the infrastructure and public works needs in Oregon cities;
- (c) Of the infrastructure and public works needs in Oregon counties;
- (d) Of issues related to ports that affect the 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) Of issues related to special service district services furnished across the state; and
 2 (f) Of infrastructure and public works necessary to further Oregon’s long term economic
 3 growth.

4 (2) The office of the State Treasurer may recommend persons with expertise in the field
 5 of state and municipal finance for membership on the advisory committee.

6 (3) The term of a member of the advisory committee is four years. In case of a vacancy
 7 for any cause, the commission shall appoint a successor to serve for the unexpired term. A
 8 member may be appointed to serve two consecutive terms.

9 (4) The advisory committee shall select one of its members to be the chairperson of the
 10 advisory committee for such term and with duties and powers necessary to perform the
 11 functions of the office as the advisory committee, with the advice of the commission, deter-
 12 mines.

13 (5) A majority of the members of the advisory committee constitutes a quorum for the
 14 transaction of business.

15 (6) Members of the advisory committee are entitled to compensation and reimbursement
 16 for expenses as provided in ORS 292.495.

17 (7) The advisory committee shall advise the Oregon Business Development Commission,
 18 the Director of the Oregon Business Development Department and the Oregon Business
 19 Development Department on matters identified as being of interest to the commission, the
 20 director and the department that relate to infrastructure and public works programs ad-
 21 ministered and actions taken by the department, and such other duties, functions and re-
 22 sponsibilities as specified or delegated to the advisory committee by the commission or
 23 department.

24
 25 **CONFORMING AMENDMENTS**

26
 27 **SECTION 3.** ORS 285A.010 is amended to read:

28 285A.010. As used in ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C, unless the
 29 context requires otherwise:

30 [(1) “Administrator” means the administrator of the Oregon Infrastructure Finance Authority.]

31 [(2)] (1) “Association” means a nonprofit, private, incorporated or unincorporated institution,
 32 foundation, organization, entity or group, whether local, state, regional or national, that is operating
 33 or doing business in Oregon.

34 [(3) “Authority” means the Oregon Infrastructure Finance Authority.]

35 [(4) “Board” means the Oregon Infrastructure Finance Authority Board.]

36 [(5)] (2) “Commission” means the Oregon Business Development Commission.

37 [(6)] (3) “Community” means an area or locality in which the body of inhabitants has common
 38 economic or employment interests. The term is not limited to a city, county or other political sub-
 39 division and need not, but may be, limited by political boundaries.

40 [(7)] (4) “Department” means the Oregon Business Development Department.

41 [(8)] (5) “Director” means the Director of the Oregon Business Development Department.

42 [(9)] (6) “Distressed area” means a county, city, community or other geographic area that is
 43 designated as a distressed area by the department, based on indicators of economic distress or dis-
 44 location, including but not limited to unemployment, poverty and job loss.

45 [(10)] (7) “International trade” means the export and import of products and services and the

1 movement of capital for the purpose of investment.

2 [(11)] (8) "Local government" has the meaning given that term in ORS 174.116.

3 [(12)] (9) "Municipality" means an Oregon city or county, the Port of Portland created by ORS
4 778.010, a county service district organized under ORS chapter 451, a district as defined in ORS
5 198.010, a tribal council of a federally recognized Indian tribe in this state or an airport district
6 organized under ORS chapter 838.

7 [(13)] (10) "Public body" has the meaning given that term in ORS 174.109.

8 [(14)] (11) "Rural area" means an area located entirely outside of the acknowledged Portland
9 Metropolitan Area Regional Urban Growth Boundary and the acknowledged urban growth bounda-
10 ries of cities with populations of 30,000 or more.

11 [(15)] (12) "Small business" means a business having 100 or fewer employees.

12 [(16)] (13) "State agency" includes state officers, departments, boards and commissions.

13 [(17)] (14) "Traded sector" means industries in which member firms sell their goods or services
14 into markets for which national or international competition exists.

15 **SECTION 4.** ORS 285A.103 is amended to read:

16 285A.103. (1) The Oregon Infrastructure Finance Fund is established in the State Treasury,
17 separate and distinct from the General Fund. Interest earned by the Oregon Infrastructure Finance
18 Fund shall be credited to the fund. The Oregon Infrastructure Finance Fund consists of all moneys
19 credited to the fund, including moneys from the Administrative Services Economic Development
20 Fund, federal funds collected or received and fees, moneys or other revenues, including miscella-
21 neous receipts, collected or received by the [*Oregon Infrastructure Finance Authority*] **Oregon**
22 **Business Development Department**. The moneys in the Oregon Infrastructure Finance Fund are
23 continuously appropriated to the Oregon Business Development Department [*for the authority*] for
24 the purposes of [*ORS 285A.091 to 285A.108.*]

25 [(2) *The authority may finance*] **financing** programs and projects determined to further
26 infrastructure development within this state by making grants or loans using moneys in the fund.

27 [(3)] (2) [*The Oregon Infrastructure Finance Authority Board may suggest to the Director of the*
28 *Oregon Business Development Department administrative rules for establishing standards, objectives*
29 *and criteria for use of moneys in the fund.*] The department shall adopt rules to establish standards,
30 objectives and criteria for use of moneys in the fund.

31 **SECTION 5.** ORS 285A.213 is amended to read:

32 285A.213. (1) There is established in the State Treasury, separate and distinct from the General
33 Fund, the Safe Drinking Water Revolving Loan Fund. All moneys in the Safe Drinking Water Re-
34 volving Loan Fund are continuously appropriated to the Oregon Business Development Department
35 [*for the Oregon Infrastructure Finance Authority*] for the purposes set forth in this section.

36 (2) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development Department**
37 shall administer the Safe Drinking Water Revolving Loan Fund in accordance with a memorandum
38 of understanding between the [*Oregon Infrastructure Finance Authority*] **department** and the Oregon
39 Health Authority.

40 (3) The Safe Drinking Water Revolving Loan Fund shall consist of:

41 (a) Moneys transferred to the fund by the Oregon Health Authority for purposes authorized by
42 the memorandum of understanding between the Oregon Health Authority and the [*Oregon*
43 *Infrastructure Finance Authority*] **Oregon Business Development Department**.

44 (b) Moneys transferred to the fund by the federal government, other state agencies or local
45 governments.

1 (c) Moneys transferred to the fund by the Legislative Assembly or the [*Oregon Infrastructure*
2 *Finance Authority*] **Oregon Business Development Department**.

3 (d) Proceeds from the sale of revenue bonds.

4 (e) Repayment of financial assistance provided with moneys from the fund.

5 (f) Interest and other earnings on moneys in the fund.

6 (4) Moneys in the Safe Drinking Water Revolving Loan Fund shall be used to provide financial
7 or other assistance to publicly owned and privately owned water systems under the Safe Drinking
8 Water Act Amendments of 1996, P.L. 104-182, and rules of the Oregon Business Development De-
9 partment. As used in this subsection, "assistance" includes direct purchase by the [*Oregon*
10 *Infrastructure Finance Authority*] **department** of goods or services related to a water system project
11 to the extent permitted by the memorandum of understanding between the [*Oregon Infrastructure*
12 *Finance Authority*] **department** and the Oregon Health Authority, and by the Safe Drinking Water
13 Act Amendments of 1996, and as authorized by rules of the [*Oregon Business Development*] depart-
14 ment.

15 (5) The owner of a water system may borrow from the Safe Drinking Water Revolving Loan
16 Fund by entering into a loan agreement with the [*Oregon Infrastructure Finance Authority*] **Oregon**
17 **Business Development Department**. The owner of a municipally owned water system may enter
18 into a loan agreement with the [*Oregon Infrastructure Finance Authority*] **department**
19 notwithstanding any restriction on indebtedness in the charter or bylaws of the municipality or any
20 other provision of law. Moneys owed to the [*Oregon Infrastructure Finance Authority*] **department**
21 by the borrower under a loan agreement may be paid from:

22 (a) Revenue from any water system project of the borrower, including special assessment re-
23 venue;

24 (b) Amounts withheld under subsection (6) of this section;

25 (c) The general fund of the borrower;

26 (d) Any combination of sources listed in paragraphs (a) to (c) of this subsection; or

27 (e) Any other source.

28 (6) If a borrower fails to comply with a loan agreement entered into under subsection (5) of this
29 section, the Oregon Business Development Department may seek appropriate legal remedies to se-
30 cure any repayment due the Safe Drinking Water Revolving Loan Fund. If a borrower defaults on
31 repayment due the fund, the State of Oregon may withhold any amounts otherwise due to the bor-
32 rower. Any amounts withheld under this subsection shall be credited toward repayment of the
33 borrower's indebtedness to the fund.

34 **SECTION 6.** ORS 285A.306 is amended to read:

35 285A.306. (1) There is established in the State Treasury, separate and distinct from the General
36 Fund, the Title I Bank Fund. All moneys in the fund are continuously appropriated to the Oregon
37 Business Development Department [*for the Oregon Infrastructure Finance Authority*] to provide fi-
38 nancing for community development projects. Interest earned by the Title I Bank Fund shall be
39 credited to the fund.

40 (2) Moneys in the Title I Bank Fund, with the approval of the State Treasurer, may be invested
41 as provided by ORS 293.701 to 293.857, and the earnings from such investments and other program
42 income shall be credited to the Title I Bank Fund.

43 (3) The Title I Bank Fund shall consist of:

44 (a) Moneys appropriated to the fund by the Legislative Assembly.

45 (b) Repayment of loans made by cities and counties with grants from the Oregon Community

1 Development Block Grant Program, including interest earnings.

2 (4) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development Department**
3 shall administer the fund.

4 (5) The department shall adopt rules and policies for the administration of the fund.

5 (6) The [*authority*] **department** may charge program administrative costs to the fund to pay for
6 administrative expenses incurred to the [*authority*] **department** for processing applications and in-
7 vestigating community development projects.

8 **SECTION 7.** ORS 285A.600 is amended to read:

9 285A.600. (1) The Legislative Assembly declares that it is the policy of this state to include
10 Oregon's ports in planning and implementing economic development and transportation programs.
11 To that end, the Oregon Business Development Commission and the Oregon Business Development
12 Department[, *through the Oregon Infrastructure Finance Authority,*] may work to:

13 (a) Coordinate with the Department of Transportation and other state agencies, commissions and
14 advisory committees engaged in activities affecting ports to facilitate port planning and develop-
15 ment;

16 (b) Promote local cooperation in statewide planning and development of the ports;

17 (c) Promote long-term economic self-sufficiency of the ports;

18 (d) Encourage cost-effective investments with prudent financial consideration of port develop-
19 ment projects; and

20 (e) Facilitate ports in their efforts to respond to domestic and international market opportu-
21 nities.

22 (2) The Legislative Assembly also declares that:

23 (a) The State of Oregon recognizes, supports and promotes a federal role in the continuation of
24 the maintenance and development of federally authorized waterway projects.

25 (b) Because the federal role is changing, the responsibilities of this state may vary in terms of
26 direct involvement in waterway transportation.

27 (c) It is the policy of the State of Oregon to support the continued maintenance and development
28 of the following waterways as key elements of the statewide transportation system:

29 (A) The navigation channels of the Columbia River, Coos Bay and Yaquina Bay and any other
30 commercial waterway segments that provide a link for movement of products to and from world and
31 regional markets.

32 (B) Waterway segments that serve as transportation corridors for large volumes of bulk and
33 agricultural commodities and that provide shippers a cost-effective means to transport products.

34 (C) The coastal channels and harbors that support commercial and water-dependent activities.

35 **SECTION 8.** ORS 285A.615 is amended to read:

36 285A.615. (1) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development**
37 **Department** shall provide managerial assistance and technical referral services to ports.

38 (2) The [*authority*] **department** shall disseminate such research and technical information as is
39 available to the [*authority*] **department**.

40 (3) The [*authority*] **department** shall work cooperatively with existing organizations and agen-
41 cies that provide research and technical services, including, but not limited to:

42 (a) The Department of State Lands;

43 (b) The State Marine Board; and

44 (c) The Sea Grant College and marine extension services at Oregon State University.

45 **SECTION 9.** ORS 285A.627 is amended to read:

1 285A.627. (1) The Oregon Business Development Commission and the Oregon Business Develop-
 2 ment Department[, *through the Oregon Infrastructure Finance Authority,*] shall be the statewide co-
 3 ordinating, planning and research entity for all ports and port authorities in this state to ensure the
 4 most orderly, efficient and economical development of the state port system.

5 (2) Notwithstanding any other provision of law, after July 1, 1969, no port or port authority may
 6 be formed without the prior approval of the [*Oregon Infrastructure Finance Authority*] **department**.

7 (3) The [*authority*] **department** is the statewide coordinating, planning and research entity for
 8 port activities involving international trade and international trade development and industrial,
 9 commercial and recreational development.

10 **SECTION 10.** ORS 285A.654 is amended to read:

11 285A.654. (1) There is created within the State Treasury, separate and distinct from the General
 12 Fund, the Port Planning and Marketing Fund. All moneys in the Port Planning and Marketing Fund
 13 are appropriated continuously to the Oregon Business Development Department [*for the Oregon*
 14 *Infrastructure Finance Authority*] and shall be used by the [*authority*] **department** for:

15 (a) Administrative expenses of the [*authority*] **department** in processing grant applications and
 16 investigating proposed planning or marketing projects related to ports.

17 (b) Payment of grants under ORS 285A.654 to 285A.660 to ports formed under ORS 777.010 and
 18 777.050.

19 (c) Direct purchase by the [*authority*] **department** of goods or services to assist ports in imple-
 20 menting planning or marketing projects approved for grant financing under ORS 285A.654 to
 21 285A.660.

22 (2) The Port Planning and Marketing Fund shall consist of:

23 (a) Moneys appropriated to the fund by the Legislative Assembly.

24 (b) Moneys obtained from gifts or grants received under ORS 285A.200.

25 (c) Moneys obtained from interest earned on the investment of such moneys.

26 (3) Moneys in the Port Planning and Marketing Fund, with the approval of the State Treasurer,
 27 may be invested as provided by ORS 293.701 to 293.857, and the earnings from such investments
 28 shall be credited to the Port Planning and Marketing Fund.

29 **SECTION 11.** ORS 285A.657 is amended to read:

30 285A.657. (1) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development**
 31 **Department** may make grants, as funds are available, to any port formed under ORS chapter 777
 32 or 778 for:

33 (a) A planning project conducted under ORS 285A.627 or any other planning project necessary
 34 for improving the port's capability to carry out its authorized functions and activities relating to
 35 trade and commerce; or

36 (b) A marketing project necessary for improving the port's capability to carry out its authorized
 37 functions and activities relating to trade and commerce.

38 (2) Any port may file with the [*authority*] **department** an application for a grant from the Port
 39 Planning and Marketing Fund to finance a specific planning project or marketing project.

40 (3) An application under this section shall be filed in such a manner and contain or be accom-
 41 panied by such information as the [*authority*] **department** may prescribe.

42 (4) Upon receipt of an application, the [*authority*] **department** shall determine whether the
 43 planning project or marketing project is eligible for funding under ORS 285A.654 to 285A.660. If the
 44 [*authority*] **department** determines that the project is not eligible, it shall within 60 days:

45 (a) Reject the application; or

1 (b) Require the applicant to submit additional information as may be necessary.

2 (5) The [authority] **department** may approve a grant for a planning project or a marketing
3 project described in an application filed under this section if, after investigation, the [authority]
4 **department** finds that:

5 (a) The project meets the standards and criteria established by the [authority] **department** for
6 grant financing from the Port Planning and Marketing Fund; and

7 (b) Moneys in the Port Planning and Marketing Fund are or will be available for the project.

8 (6) Grants to ports under ORS 285A.654 to 285A.660 shall not exceed \$50,000 and shall not ex-
9 ceed 75 percent of the total cost of the project.

10 (7) The [authority] **department** shall not fund any program that subsidizes regular port operat-
11 ing expenses.

12 (8) In lieu of all or part of the grant financing approved under ORS 285A.654 to 285A.660 for a
13 planning or marketing project, the [authority] **department** may purchase goods or services to assist
14 a port in implementing a project.

15 **SECTION 12.** ORS 285A.660 is amended to read:

16 285A.660. (1) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development**
17 **Department** shall develop marketing grant funding priorities considering such factors as community
18 need and whether the project will lead to economic diversification, development of a new or
19 emerging industry and redevelopment of existing public facilities. The [authority] **department** shall
20 give priority to regional or cooperative projects, and projects that leverage other marketing efforts
21 by the state or other local government units.

22 (2) The [authority] **department** shall review all proposals to avoid duplication of marketing ef-
23 forts among ports, and to maintain consistency with the applicable county or city comprehensive
24 plans.

25 (3) Ports shall develop and maintain strategic business plans before obtaining funding. A stra-
26 tegic business plan developed and maintained under this subsection must comply with standards and
27 requirements for strategic business plans established by the [*Oregon Business Development*] depart-
28 ment by rule. The department shall also establish by rule the date by which ports seeking funding
29 must have a strategic business plan in place.

30 **SECTION 13.** ORS 285A.669 is amended to read:

31 285A.669. Any Oregon port district may file with the [*Oregon Infrastructure Finance Authority*]
32 **Oregon Business Development Department** an application to borrow money from the Oregon Port
33 Revolving Fund for a project as provided in ORS 285A.666 to 285A.732. The application shall be filed
34 in such a manner and contain or be accompanied by such information as the [authority] **department**
35 may prescribe.

36 **SECTION 14.** ORS 285A.672 is amended to read:

37 285A.672. (1) Upon receipt of an application filed as provided in ORS 285A.669, the [*Oregon*
38 *Infrastructure Finance Authority*] **Oregon Business Development Department** shall determine
39 whether the plans and specifications for the proposed project set forth in or accompanying the ap-
40 plication are satisfactory. If the [authority] **department** determines that the plans and specifications
41 are not satisfactory, the [authority] **department** may within 60 days:

42 (a) Reject the application.

43 (b) Require the applicant to submit additional information of the plans and specifications as may
44 be necessary.

45 (2) The [authority] **department** shall charge and collect from the applicant, at the time the ap-

1 plication is filed, a fee of not to exceed \$100. Moneys referred to in this subsection shall be paid into
2 the Oregon Port Revolving Fund.

3 **SECTION 15.** ORS 285A.678 is amended to read:

4 285A.678. The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development De-**
5 **partment** may approve a project proposed in an application filed as provided in ORS 285A.669, if,
6 after investigation, the [*authority*] **department** finds that:

7 (1) The proposed project is feasible and a reasonable risk from practical and economic stand-
8 points, and the loan has reasonable prospect of repayment.

9 (2) Moneys in the Oregon Port Revolving Fund are or will be available for the proposed project.

10 (3) There is a need for the proposed project, and the applicant's financial resources are adequate
11 to provide the working capital needed to ensure success of the project.

12 (4) The applicant has received all necessary permits required by federal, state or local agencies.

13 (5) The applicant will not owe more than \$3 million in principal to the Oregon Port Revolving
14 Fund if the loan is approved.

15 (6) The standards under ORS 285A.055 have been met.

16 **SECTION 16.** ORS 285A.681 is amended to read:

17 285A.681. (1) If the [*Oregon Infrastructure Finance Authority*] **Oregon Business Development**
18 **Department** approves the project, the [*authority*] **department**, on behalf of the state, and the ap-
19 plicant may enter into a loan contract that is secured by good and sufficient collateral. The loan
20 contract shall set forth, among other matters:

21 (a) A plan for repayment by the applicant to the Oregon Port Revolving Fund of moneys bor-
22 rowed from the fund for the project and interest on the moneys at a rate of interest of not less than
23 one percent less than the prevailing interest rate on United States Treasury bills of comparable
24 term, as determined by the [*authority*] **department**. The repayment plan, among other matters:

25 (A) Shall provide for commencement of repayment by the port district of moneys used for the
26 project and interest thereon no later than one year after the date of the loan contract or at any
27 other time as the [*authority*] **department** may provide. However, upon approval by the [*authority*]
28 **department**, a repayment plan for a flexible manufacturing space project may provide that no in-
29 terest shall accrue until the building is at least 25 percent occupied or until three years after the
30 date of the loan contract, whichever is earlier.

31 (B) May provide for reasonable extension of the time for making any repayment in emergency
32 or hardship circumstances if approved by the [*authority*] **department**.

33 (C) Shall provide for evidence of debt assurance of, and security for, repayment by the applicant
34 as are considered necessary by the [*authority*] **department**.

35 (D) Shall specify a loan term that may not exceed the usable life of the contracted project or
36 25 years from the year of project completion, whichever is less. The payment schedule shall include
37 repayment of interest that accrues during any period of delay in repayment authorized by subpara-
38 graph (A) of this paragraph, and the payment schedule may require payments of varying amounts for
39 collection of the accrued interest.

40 (E) Shall provide for partial or complete repayment, in excess of scheduled payments, of any
41 outstanding principal loan amount without penalty. If any prepayment is made, that amount may not
42 be included in any computation for the purposes of ORS 285A.678 (5).

43 (b) Provisions satisfactory to the [*authority*] **department** for field engineering and inspection,
44 the [*authority*] **department** to be the final judge of completion of the contract.

45 (c) That the liability of the state under the contract is contingent upon the availability of mon-

1 moneys in the Oregon Port Revolving Fund for use in the project.

2 (d) Any other provision the [authority] **department** considers necessary to ensure expenditure
3 of the funds for the purposes set forth in the approved application.

4 (2) The [Oregon Infrastructure Finance Authority] **department** may make limited moneys avail-
5 able from the Oregon Port Revolving Fund to eligible ports for grants to assist with capital im-
6 provement projects.

7 (3) The [Oregon Business Development] department shall adopt by rule eligibility criteria and
8 award limits for grants from the fund.

9 **SECTION 17.** ORS 285A.684 is amended to read:

10 285A.684. If the [Oregon Infrastructure Finance Authority] **Oregon Business Development De-**
11 **partment** approves a loan for a project, the [authority] **department** shall pay moneys for the
12 project from the Oregon Port Revolving Fund, in accordance with the terms of the loan contract
13 as prescribed by the [authority] **department**.

14 **SECTION 18.** ORS 285A.687 is amended to read:

15 285A.687. (1) If the [Oregon Infrastructure Finance Authority] **Oregon Business Development**
16 **Department** accepts a lien against any port district's real or personal property as collateral re-
17 quired by ORS 285A.681, the [authority] **department** shall file notice of the loan with the recording
18 officer of each county in which is situated any real or personal property of the port district. The
19 notice shall contain a description of the encumbered property, the amount of the loan, and a state-
20 ment that loan payments are liens against such property.

21 (2) Upon payment of all amounts loaned to a port district pursuant to ORS 285A.666 to 285A.732,
22 the [authority] **department** shall file with each recording officer referred to in subsection (1) of this
23 section a satisfaction notice that indicates repayment of the loan.

24 **SECTION 19.** ORS 285A.693 is amended to read:

25 285A.693. A port district that enters into a contract with the [Oregon Infrastructure Finance
26 Authority] **Oregon Business Development Department** for a project and repayment as provided
27 in ORS 285A.681 may obtain moneys for repayment to the Oregon Port Revolving Fund under the
28 contract in the same manner as other moneys are obtained for purposes of the port district or other
29 moneys available to the developer.

30 **SECTION 20.** ORS 285A.702 is amended to read:

31 285A.702. (1) The [Oregon Infrastructure Finance Authority] **Oregon Business Development**
32 **Department** may authorize funds from the Oregon Port Revolving Fund to be used in appropriate
33 joint governmental participation projects or as match money with any port, state or federally funded
34 project authorized within a port district, subject to the stipulations of ORS 285A.666 to 285A.732.

35 (2) Any application for a loan under this section shall be in such form as the [authority] **de-**
36 **partment** prescribes and shall furnish such proof of federal, state or local approval as appropriate
37 for funding of the project.

38 **SECTION 21.** ORS 285A.705 is amended to read:

39 285A.705. If the [Oregon Infrastructure Finance Authority] **Oregon Business Development De-**
40 **partment** approves an application for the loan of moneys authorized by ORS 285A.702, the [au-
41 thority] **department** shall enter into a loan contract, secured by good and sufficient collateral, with
42 the port district that provides, among other matters:

43 (1) That a notice of any lien against the property be filed with the recording officer of each
44 county as provided for in ORS 285A.687 (1) and (2).

45 (2) That the loan bear interest at the same rate of interest as provided in ORS 285A.681 (1)(a).

1 (3) That the loan term may not exceed the usable life of the contracted project or 25 years from
 2 the year of project completion, whichever is less. The same schedule shall include repayment of in-
 3 terest that accrues during any period of delay in repayment authorized by ORS 285A.666 to
 4 285A.732. The repayment schedule may require payments of varying amounts for collection of ac-
 5 crued interest. However, the [authority] **department** may make provisions for extensions of time in
 6 making repayment if the delinquencies are caused by acts of God or other conditions beyond the
 7 control of the port district and the security will not be impaired thereby.

8 (4) Any other provision the [authority] **department** considers necessary to ensure expenditure
 9 of the moneys loaned for the purposes provided in ORS 285A.702, including all provisions of ORS
 10 285A.678.

11 (5) That the [authority] **department** may cause to be instituted appropriate proceedings to
 12 foreclose liens as provided for in ORS 285A.690 (1) and (2) for delinquent loan payments and shall
 13 pay the proceeds of any foreclosure, less the [authority's] **department's** expenses incurred in fore-
 14 closing, into the Oregon Port Revolving Fund.

15 **SECTION 22.** ORS 285A.708 is amended to read:

16 285A.708. (1) There is created within the State Treasury a revolving fund known as the Oregon
 17 Port Revolving Fund, separate and distinct from the General Fund. Interest earned by the Oregon
 18 Port Revolving Fund shall be credited to the fund. Moneys in this fund are continuously appropri-
 19 ated to the Oregon Business Development Department [*for the Oregon Infrastructure Finance Au-*
 20 *thority*] for the following purposes:

21 (a) Administrative expenses of the [authority] **department** in processing applications and inves-
 22 tigating proposed projects.

23 (b) Payment of loans to port districts pursuant to ORS 285A.666 to 285A.732.

24 (c) Administrative expenses of the [authority] **department** relating to ports. In any one year,
 25 administrative expenses charged under this paragraph may not be greater than the total revenues
 26 received in that year from fees provided for in subsection (2)(a) of this section, plus an amount not
 27 to exceed five percent of the total asset value of the fund.

28 (2) The fund created by subsection (1) of this section shall consist of:

29 (a) Application fees required by ORS 285A.672 (2).

30 (b) Repayment of moneys loaned to port districts or others from the Oregon Port Revolving
 31 Fund, including interest on such moneys.

32 (c) Payment of such moneys as may be appropriated to the fund by the Legislative Assembly.

33 (d) Moneys obtained from any interest accrued from such funds.

34 (3) Outstanding debt on the fund shall not exceed 95 percent of all deposits, accounts payable,
 35 and other assets of the fund.

36 (4) No money shall be expended from the Oregon Port Revolving Fund for any economic devel-
 37 opment study costing more than \$50,000 unless a work plan and budget for such study has been
 38 provided to appropriate legislative committees.

39 **SECTION 23.** ORS 285B.410 is amended to read:

40 285B.410. As used in ORS 285B.410 to 285B.482, unless the context requires otherwise:

41 (1) "Airport" means:

42 (a) A runway, taxiway, aircraft parking apron, ramp, auto parking area, access road, safety area
 43 or runway protection zone;

44 (b) An airport-related facility, including a hangar, terminal, air traffic control tower or other
 45 building;

- 1 (c) A signal, navigational aid or traffic control system; or
2 (d) A fuel tank or other physical airport improvement.
- 3 (2)(a) “Community development project” means a project that involves strategic planning,
4 training or other technical assistance as defined by the Oregon Business Development Department
5 by rule, and that is aimed at strengthening the economic development, community development or
6 infrastructure priority setting of a municipality or region.
- 7 (b) “Community development project” includes the following activities:
8 (A) Developing and managing short-term and long-term projects;
9 (B) Developing priorities for infrastructure projects;
10 (C) Strategic planning related to furthering economic or community development; or
11 (D) Training related to economic or community development, including training to improve
12 leadership skills, technical skills or analytical skills, particularly in rural and distressed areas.
- 13 (c) “Community development project” includes projects that may encompass a municipality or
14 any part of a municipality and may be undertaken in cooperation with another municipality.
- 15 (3) “Development project” means a project for the acquisition, improvement, construction, dem-
16 olition, or redevelopment of municipally owned utilities, buildings, land, transportation facilities or
17 other facilities that assist the economic and community development of the municipality, including
18 planning project activities that are necessary or useful as determined by the [*Oregon Infrastructure*
19 *Finance Authority*] **department**.
- 20 (4) “Direct project management costs” means expenses directly related to a project that are in-
21 curred by a municipality solely to support or manage a project eligible for assistance under ORS
22 285B.410 to 285B.482. “Direct project management costs” does not include routine or ongoing ex-
23 penses of the municipality.
- 24 (5) “Emergency project” means a development project resulting from an emergency as defined
25 in ORS 401.025, to which federal disaster relief has been committed.
- 26 (6) “Energy system” means a facility necessary for the distribution, transmission or generation
27 of energy, including but not limited to facilities powered by wind, solar energy or biofuel and facil-
28 ities for the collection, storage, transmission or distribution of a fuel, including natural gas, methane
29 or hydrogen.
- 30 (7) “Marine facility” means:
31 (a) A wharf, dock, freight handling or passenger facility;
32 (b) A navigation channel or structure, including a project funded under ORS 777.267; or
33 (c) Any other physical marine facility improvement.
- 34 (8) “Municipality” means an Oregon city or county, the Port of Portland created by ORS 778.010,
35 a county service district organized under ORS chapter 451, a district as defined in ORS 198.010, a
36 tribal council of a federally recognized Indian tribe in this state or an airport district organized
37 under ORS chapter 838.
- 38 (9) “Planning project” means:
39 (a) A project related to a potential development project for preliminary, final or construction
40 engineering;
41 (b) A survey, site investigation or environmental action;
42 (c) A financial, technical or other feasibility report, study or plan; or
43 (d) An activity that the [*authority*] **department** determines to be necessary or useful in planning
44 for a potential development project.
- 45 (10) “Project” means a development, community development, planning or emergency project.

1 (11) "Railroad" means:

2 (a) A main line, siding, yard, connecting or auxiliary track, right of way or easement;

3 (b) An industrial spur or related facility, including a depot, shop, maintenance building or other
4 building;

5 (c) A signal or traffic control system;

6 (d) A bridge or tunnel;

7 (e) A dock, pit, conveyor, bin, crane, piping system, tank or pavement for unloading, loading or
8 transfer of freight, trailers or containers; or

9 (f) Any other physical railroad improvement.

10 (12) "Road" means a street, highway or thruway or a road-related structure that provides for
11 continuity of a right of way, including a bridge, tunnel, culvert or similar structure or other physical
12 road-related improvement.

13 (13) "Rural area" has the meaning given that term in ORS 285A.010.

14 (14) "Solid waste disposal site" has the meaning given the term "disposal site" in ORS 459.005.

15 (15) "Telecommunications system" means equipment or a facility for the electronic transmission
16 of voice, data, text, image or video.

17 (16) "Transportation" means a system for movement of freight or passengers.

18 (17) "Utilities" means a solid waste disposal site or a water, sewage, storm water drainage, en-
19 ergy or telecommunications system.

20 **SECTION 24.** ORS 285B.413 is amended to read:

21 285B.413. (1) The Legislative Assembly finds that:

22 (a) The improvement, expansion and new construction of the state's infrastructure systems pro-
23 vide the basic framework for continuing and expanding economic activity in this state, thereby im-
24 proving the quality of life and economic opportunity for the people of Oregon.

25 (b) It is essential to maintain usable and developable industrial and commercial lands in Oregon.

26 (2) Because municipalities in this state often suffer from a lack of available financing and tech-
27 nical capacity for these projects, it is the purpose of ORS 285B.410 to 285B.482 to provide financial
28 or other assistance to enable municipalities to construct, improve and repair those facilities that are
29 essential for supporting continuing and expanded economic activity. It is the intent of the Legisla-
30 tive Assembly, by providing that assistance, to stimulate industrial growth and commercial enter-
31 prise and to promote employment opportunities in Oregon.

32 (3) Moneys in the Special Public Works Fund shall be used primarily to provide loans to
33 municipalities for development and planning projects. Grants shall be given only when loans are not
34 feasible due to the financial need of the municipality or under circumstances that the Oregon Busi-
35 ness Development Department specifies by administrative rule. The [*Oregon Infrastructure Finance*
36 *Authority*] **Oregon Business Development Department** is authorized to determine the level of
37 grant or loan funding, if any, on a case-by-case basis.

38 **SECTION 25.** ORS 285B.419 is amended to read:

39 285B.419. (1) The Oregon Business Development Department shall adopt rules and policies for
40 the administration of the Special Public Works Fund. All forms of assistance are subject to the rules
41 and policies of the department.

42 (2) The [*Oregon Infrastructure Finance Authority*] **department** shall manage the Special Public
43 Works Fund and any expenditures from its accounts and transfers between its accounts so that the
44 fund provides a continuing source of financing for development or planning projects consistent with
45 ORS 285B.413.

1 (3) The [authority] **department** may commit moneys in the Special Public Works Fund or reserve
 2 future income to the fund for disbursement in future years under ORS 285B.440. The [authority] **de-**
 3 **partment** shall commit or reserve moneys under this subsection only after:

4 (a) Allowing for contingencies;

5 (b) Finding that there will be sufficient unobligated net income to the fund to make the future
 6 payments, consistent with the financial requirements of subsections (2) and (3) of this section; and

7 (c) Providing in any contract for the commitment that the liability of the state to make the an-
 8 nual payments shall be contingent on the availability of moneys in the Special Public Works Fund.

9 (4) In assisting municipalities with projects, the [authority] **department** shall cooperate to the
 10 maximum extent possible with other state and federal agencies.

11 **SECTION 26.** ORS 285B.422 is amended to read:

12 285B.422. (1) The [Oregon Infrastructure Finance Authority] **Oregon Business Development**
 13 **Department** may provide financial or other assistance to a municipality for a development project.

14 (2) The project must be municipally owned and operated either by the municipality or under a
 15 management contract or an operating agreement with the municipality. If the project consists:

16 (a) Solely of the purchase or acquisition of land by the municipality, the land must be identified
 17 in the applicable land use or capital plan as necessary for a potential development project or be
 18 zoned solely for commercial or industrial use.

19 (b) Of a privately owned railroad, the railroad must be designated by the owner and operator
 20 as subject to abandonment within three years, pursuant to federal law governing abandonment of
 21 common carrier railroad lines.

22 (c) Of a telecommunications system, the governing body of the municipality shall adopt a resol-
 23 ution, after a public hearing, finding that the proposed telecommunications system project is neces-
 24 sary and would not otherwise be provided by a for-profit entity within a reasonable time and for a
 25 reasonable cost.

26 (3) If the project is an energy system, the municipality and the serving utility must execute an
 27 ownership and operating agreement for the proposed energy system. This subsection does not apply
 28 when the energy system will be located within the recognized service territory of the municipality.

29 (4) The [authority] **department** may not use funds to provide assistance for:

30 (a) Projects that primarily focus on relocating business or economic activity from one part of
 31 the state to another, except in cases where the business or economic activity would otherwise locate
 32 outside of Oregon; or

33 (b) Ongoing operations or maintenance expenses.

34 **SECTION 27.** ORS 285B.437 is amended to read:

35 285B.437. (1) If the [Oregon Infrastructure Finance Authority] **Oregon Business Development**
 36 **Department** approves assistance from the Special Public Works Fund for a project, the [authority]
 37 **department**, on behalf of the state, and the municipality may enter into a contract to implement the
 38 assistance. The contract shall include:

39 (a) A provision that the liability of the state under the contract is contingent upon the avail-
 40 ability of moneys in the Special Public Works Fund for use in the project;

41 (b) If any portion of the assistance is in the form of a loan or the purchase of a bond of a
 42 municipality, a provision granting the [authority] **department** a lien on or a security interest in the
 43 collateral as determined by the [authority] **department** to be necessary to secure repayment of the
 44 loan or bond; and

45 (c) Other provisions as the [authority] **department** considers necessary or appropriate to im-

1 plement the assistance.

2 (2) When the [authority] **department** approves financial assistance under ORS 285B.410 to
3 285B.482 for a project, the [authority] **department** shall pay moneys for the project from the Special
4 Public Works Fund in accordance with the terms of the contract.

5 (3) Notwithstanding any other provision of law or any restriction on indebtedness contained in
6 a charter, a municipality may borrow from the Special Public Works Fund by entering into a con-
7 tract with the [authority] **department**. The contract may be repaid from:

8 (a) The revenues of the project, including special assessment revenues;

9 (b) Amounts withheld under ORS 285B.449 (1);

10 (c) The general fund of the municipality; or

11 (d) Any other source.

12 (4) A loan contract authorized under subsection (3) of this section shall be authorized by an
13 ordinance, order or resolution adopted by the governing body of the municipality.

14 **SECTION 28.** ORS 285B.440 is amended to read:

15 285B.440. (1)(a) The moneys in the Special Public Works Fund shall be used primarily to provide
16 loans to municipalities for projects as defined in ORS 285B.410 to 285B.482. The [*Oregon*
17 *Infrastructure Finance Authority*] **Oregon Business Development Department** may determine the
18 level of grant or loan funding, if any, on a case-by-case basis.

19 (b) If the [authority] **department** approves funding, the [authority] **department** shall determine
20 a maximum amount of the loan based upon a reasonable and prudent expectation of the ability of
21 the municipality to repay the loan.

22 (c) The initial loan term may not exceed the usable life of the project or 30 years from the year
23 of project completion, whichever is less. The term of a renegotiated loan may not exceed the re-
24 maining usable life of the project or 30 years, whichever is less.

25 (d) Assistance from the fund for a marine facility project otherwise funded under ORS 777.267
26 shall be limited to a loan. The loan may not exceed the amount of the required local matching funds.

27 (2) The [*Oregon Business Development*] department shall by rule adopt standards for awarding
28 grants from the Special Public Works Fund. The standards may include the award of grants as a
29 financial incentive to accomplish the goals of the Special Public Works Fund, to address special
30 circumstances of a project or to address the financial need of the applicant.

31 (3) The [authority] **department** may make grants to a municipality not to exceed \$1 million per
32 project or 85 percent of the allowable project costs, whichever is less. For purposes of this sub-
33 section, allowable project costs do not include capitalized interest, if any.

34 (4) The [authority] **department** may not expend more than one percent of the value of the Spe-
35 cial Public Works Fund in any biennium for grants or direct assistance, if any, for planning projects
36 and community development projects to municipalities.

37 (5) The [authority] **department** may not expend more than \$2.5 million in any biennium for
38 emergency project grants. For purposes of this subsection, emergency project grants include grants
39 for essential community facilities, as defined by the department by rule after consultation with the
40 League of Oregon Cities, the Association of Oregon Counties, the Oregon Ports Representation
41 Group and the Special Districts Association of Oregon.

42 (6) Except as otherwise limited by this section, not more than 100 percent of the total cost of
43 a project, including capitalized interest, shall be financed from the Special Public Works Fund.

44 **SECTION 29.** ORS 285B.455 is amended to read:

45 285B.455. (1) There is created the Special Public Works Fund, separate and distinct from the

1 General Fund. Interest earned by the Special Public Works Fund shall be credited to the fund. All
 2 moneys credited to the Special Public Works Fund are appropriated continuously to the Oregon
 3 Business Development Department [*for the Oregon Infrastructure Finance Authority*] for the purposes
 4 set forth in this section.

5 (2) The fund shall consist of all moneys credited to the fund, including:

6 (a) Moneys appropriated to the fund by the Legislative Assembly or transferred to the fund by
 7 the [*authority*] **department**;

8 (b) Earnings on the fund;

9 (c) Repayment of financial assistance, including interest;

10 (d) Moneys received from the federal government, other state agencies or local governments;

11 (e) Bond proceeds as authorized under ORS 285B.410 to 285B.482 or other law; and

12 (f) Moneys from any other source, including but not limited to grants and gifts.

13 (3) Moneys in the Special Public Works Fund may be invested as provided by ORS 293.701 to
 14 293.857 and the earnings from the investments shall be credited to the account in the Special Public
 15 Works Fund designated by the [*authority*] **department**.

16 (4) The [*authority*] **department** shall administer the Special Public Works Fund.

17 (5) The [*authority*] **department** may establish other accounts within the Special Public Works
 18 Fund for the payment of project costs, reserves, debt service payments, credit enhancement, admin-
 19 istrative costs and operation expenses or any other purpose necessary to carry out ORS 285B.410
 20 to 285B.482.

21 (6) The [*authority*] **department** may directly or indirectly grant, expend or loan moneys in the
 22 fund or extend credit to:

23 (a) Provide to municipalities any form of financial or other assistance that the [*authority*] **de-**
 24 **partment** considers appropriate to assist communities with a project, including the refinancing of
 25 temporary project financing.

26 (b) Purchase goods or services related to a project on behalf of the municipality.

27 (c) Provide state funds as a match for federal funds available for the administration of the
 28 Community Development Block Grant program.

29 (d) Finance administrative costs of the [*authority*] **department** pursuant to ORS 285B.410 to
 30 285B.482.

31 (e) Provide annual grants on behalf of a municipality in the form of partial repayment to
 32 bondholders of amounts owed.

33 (f) Cover contracts that are issued to guaranty any portion of the obligation of a municipality
 34 to finance a development project and that are not sold to the State of Oregon. Guaranty contracts
 35 under this paragraph shall be payable solely from moneys in the Special Public Works Fund, and
 36 shall not constitute a debt or obligation of the State of Oregon. The [*authority*] **department** may,
 37 on behalf of the state, establish a special account in the fund and commit to deposit into the account
 38 specified portions of existing and future allocations to the fund. The commitments shall be made by
 39 rule of the department and shall constitute covenants of the state for the benefit of the owners of
 40 obligations guaranteed by the state pursuant to this section.

41 (7) As used in this section, "administrative costs" includes the [*authority's*] **department's** direct
 42 and indirect costs for investigating and processing an application, developing a contract, monitoring
 43 the use of funds by a municipality, investigating and resolving budget discrepancies, closing a
 44 project and providing financial or other assistance to a municipality.

45 **SECTION 30.** ORS 285B.460 is amended to read:

1 285B.460. (1) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development**
2 **Department** may provide financial or other assistance to a municipality for a planning project.

3 (2) The planning project may be a stand-alone project.

4 (3) The planning project may include an environmental action on a brownfield. For purposes of
5 this subsection:

6 (a) “Brownfield” has the meaning given that term in ORS 285A.185.

7 (b) “Environmental action” has the meaning given that term in ORS 285A.188.

8 **SECTION 31.** ORS 285B.462 is amended to read:

9 285B.462. (1) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development**
10 **Department** may provide financial or other assistance to a municipality for an emergency project.

11 (2) The [*authority*] **department** may award grant funding to an emergency project only if federal
12 disaster relief assistance has been committed for the emergency project.

13 (3) Assistance from the Special Public Works Fund for an emergency project may not exceed the
14 total local matching funds requirement for the federal disaster relief assistance committed to the
15 project.

16 **SECTION 32.** ORS 285B.465 is amended to read:

17 285B.465. For purposes of ORS 285B.410 to 285B.482, the allowable costs of a project include:

18 (1) Financing costs, including capitalized interest;

19 (2) Direct project management costs;

20 (3) Costs of consultant services and expenses;

21 (4) Construction costs and expenses;

22 (5) Costs of property acquisition, including any easement or right of way directly related to and
23 necessary for the project;

24 (6) Costs of acquiring off-site property for purposes directly related to the project, such as
25 wetland mitigation; and

26 (7) Other costs that the [*Oregon Infrastructure Finance Authority*] **Oregon Business Develop-**
27 **ment Department** determines to be necessary or useful.

28 **SECTION 33.** ORS 285B.467 is amended to read:

29 285B.467. (1) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development**
30 **Department** shall determine eligibility for revenue bond financing under ORS 285B.467 to 285B.479
31 of development projects that have qualified under ORS 285B.419 to 285B.437 and 285B.449 pursuant
32 to rules adopted by the [*Oregon Business Development*] department.

33 (2) After a determination is made that a development project is eligible for revenue bond fi-
34 nancing under ORS 285B.467 to 285B.479, the department shall forward a request for the issuance
35 of revenue bonds to the State Treasurer, who shall determine whether to issue revenue bonds.

36 (3) When a project is determined to be eligible for revenue bond financing under ORS 285B.467
37 to 285B.479, allowable costs as described in ORS 285B.465 may be paid from bond proceeds.

38 (4) Administrative expenses of the [*authority*] **department** in processing applications and inves-
39 tigating proposed projects and bond sales may not be derived from bond proceeds.

40 (5) The [*authority*] **department** may pledge all or any portion of the existing or future assets
41 and receipts of the Special Public Works Fund to pay debt service on bonds issued pursuant to ORS
42 285B.410 to 285B.482. The pledge shall take effect immediately, without delivery of the pledged funds
43 to third parties, and the lien of the pledge shall be superior to all other liens of any nature.

44 (6) The [*authority*] **department** is authorized to establish separate accounts within the fund for
45 separate bond issues.

1 **SECTION 34.** ORS 285B.470 is amended to read:

2 285B.470. The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development De-**
3 **partment** may:

4 (1) Make all contracts, execute all instruments and do all things necessary or convenient in the
5 exercise of the powers granted by this section, or in the performance of its covenants or duties, or
6 in order to secure the payment of its bonds;

7 (2) Enter into and perform contracts and agreements with municipalities as the [*authority*] **de-**
8 **partment** may consider proper and feasible for or concerning the planning, construction, installa-
9 tion, lease or other acquisition, and the financing of projects; and

10 (3) Enter into covenants for the benefit of bond owners regarding the use and expenditure of
11 moneys in the Special Public Works Fund.

12 **SECTION 35.** ORS 285B.503 is amended to read:

13 285B.503. (1) There is established in the State Treasury, separate and distinct from the General
14 Fund, the Oregon Unified International Trade Fund. Interest earned by the Oregon Unified Inter-
15 national Trade Fund shall be credited to the fund. The moneys in the fund are continuously appro-
16 priated to the Oregon Business Development Department [*for the Oregon Infrastructure Finance*
17 *Authority*] for:

18 (a) Paying all or a portion of the costs of:

19 (A) A project for the extension and improvement of Jackson County Airport runway.

20 (B) A project for the extension of a natural gas pipeline to the Coos Bay and North Bend area
21 from a location near Roseburg.

22 (C) A project for improvements to the Klamath Falls International Airport maintained by the
23 City of Klamath Falls.

24 (b) Transfer to the Oregon Port Revolving Fund created by ORS 285A.708.

25 (2) A separate account within the Oregon Unified International Trade Fund shall be established
26 for each project listed in subsection (1) of this section.

27 (3) The Oregon Unified International Trade Fund shall consist of moneys allocated to the fund
28 under section 9, chapter 644, Oregon Laws 1997, and such other moneys as may be appropriated to
29 the fund by the Legislative Assembly, including interest on such moneys.

30 **SECTION 36.** ORS 285B.506 is amended to read:

31 285B.506. (1) The [*administrator of the Oregon Infrastructure Finance Authority*] **Director of the**
32 **Oregon Business Development Department** shall enter into a grant agreement with the primary
33 sponsor of a project listed in ORS 285B.503 that commits the State of Oregon to make the deposits
34 specified in section 9, chapter 644, Oregon Laws 1997, and commits the [*Oregon Infrastructure Fi-*
35 *nance Authority*] **Oregon Business Development Department** to pay those deposits, plus earnings,
36 to the primary sponsor as soon as funds are available in the appropriate account of the Oregon
37 Unified International Trade Fund and are required by the primary sponsor for payment of project
38 costs. Notwithstanding any other law, the commitment of the State of Oregon and the [*authority*]
39 **department** under this section shall be conditioned solely on receipt by this state of unobligated
40 net lottery proceeds sufficient to make the deposits specified in section 9, chapter 644, Oregon Laws
41 1997.

42 (2) The total amount paid to the primary sponsor under the grant agreement shall not exceed
43 the amount deposited in the appropriate account for the sponsor's project in the Oregon Unified
44 International Trade Fund, plus any interest earnings on the amounts in the account. The grant
45 agreement shall:

1 (a) Pledge the unobligated net lottery proceeds to pay the amounts due to the primary sponsor
2 under the grant agreement;

3 (b) Specify the administrative procedures for making payments to the primary sponsor;

4 (c) Provide for notification to the [*administrator*] **director** if the primary sponsor determines that
5 it is unable to undertake the project;

6 (d) Allow assignment of the right to receive amounts payable under the grant agreement to third
7 parties;

8 (e) Obligate the primary sponsor to remit any unexpended grant funds and any earnings thereon
9 to the State of Oregon after the sponsor's project is complete and all its costs have been paid; and

10 (f) Contain other terms and conditions that are necessary or appropriate, as determined by the
11 [*administrator*] **director**, to implement ORS 285B.500 to 285B.512 and section 9, chapter 644, Oregon
12 Laws 1997, to protect the interests and investments of the State of Oregon in the projects specified
13 in ORS 285B.503.

14 (3) The grant agreement, when executed by the [*administrator*] **director** and accepted by the
15 primary sponsor, shall be a valid, binding and irrevocable contractual obligation of the State of
16 Oregon in accordance with its terms. However, amounts due under the grant agreement shall be
17 payable solely from the unobligated net lottery proceeds required by section 9, chapter 644, Oregon
18 Laws 1997, to be deposited in the appropriate account in the Oregon Unified International Trade
19 Fund.

20 (4) The primary sponsor may pledge or assign its right to receive amounts due under the grant
21 agreement as security for any contractual obligation the primary sponsor undertakes to pay or fi-
22 nance costs of the project. Any pledge or assignment authorized by ORS 285B.500 to 285B.515 and
23 777.277 to 777.287 and section 9, chapter 644, Oregon Laws 1997, shall be valid and binding upon the
24 primary sponsor, the [*authority*] **department**, the State of Oregon and all other persons from the
25 date it is made. The unobligated net lottery proceeds so pledged shall be immediately subject to the
26 lien of the pledge without physical delivery, filing or other act, and the lien of the pledge shall be
27 superior to all other claims and liens of any kind whatsoever. Upon notice from the primary sponsor
28 that it has pledged the unobligated net lottery proceeds or assigned the right to receive amounts
29 due under the grant agreement, the [*authority*] **department** shall fully cooperate with the primary
30 sponsor and the pledgee or assignee to give effect to the pledge or assignment, including but not
31 limited to acknowledging in writing to the primary sponsor and the pledgee or assignee the exist-
32 ence and validity of the pledge or assignment and agreeing that amounts due under the grant
33 agreement shall be paid to the pledgee or assignee or into the custodial accounts established for the
34 benefit of the pledgee or assignee.

35 (5) The grant agreement shall not contain provisions or be construed or enforced in any manner
36 that may cause the grant agreement to constitute a debt or liability of the state that violates section
37 7, Article XI of the Oregon Constitution.

38 **SECTION 37.** ORS 285B.512 is amended to read:

39 285B.512. (1) The deposit of unobligated net lottery proceeds to an account in the Oregon Uni-
40 fied International Trade Fund shall cease if and when the [*administrator of the Oregon Infrastructure*
41 *Finance Authority*] **Director of the Oregon Business Development Department** certifies in writ-
42 ing that deposits are no longer required because:

43 (a) Sufficient funds are on hand in the account to pay all amounts required to be paid under the
44 grant agreement;

45 (b) All amounts required to be paid under the grant agreement have been paid; or

1 (c) The primary sponsor has notified the [*administrator*] **director** pursuant to the grant agree-
2 ment that the primary sponsor is unable to undertake the project.

3 (2) Upon receipt of the [*administrator's*] **director's** written certification pursuant to subsection
4 (1) of this section, the State Treasurer shall thereafter credit any amounts remaining in the account
5 that are not required to pay amounts due under the grant agreement, and any lottery revenues that
6 otherwise would have been deposited in the account under section 9, chapter 644, Oregon Laws
7 1997, to the Administrative Services Economic Development Fund. In addition, any unexpended
8 grant funds and earnings [*which*] **that** are remitted to the State of Oregon pursuant to the grant
9 agreement shall be credited to the Administrative Services Economic Development Fund.

10 **SECTION 38.** ORS 285B.515 is amended to read:

11 285B.515. As used in ORS 285B.500 to 285B.512 and section 9, chapter 644, Oregon Laws 1997,
12 "primary sponsor" or "project sponsor" means a city, county, agency or person who acts as a fi-
13 nancial contributor to a project listed in ORS 285B.503, as determined by the [*Oregon Infrastructure*
14 *Finance Authority*] **Oregon Business Development Department** in a grant agreement under ORS
15 285B.506.

16 **SECTION 39.** ORS 285B.533 is amended to read:

17 285B.533. (1) Infrastructure lottery bonds shall be issued under ORS 286A.560 to 286A.585 only
18 at the request of the Director of the Oregon Business Development Department. Infrastructure lot-
19 tery bonds may be issued in an amount sufficient to provide no more than \$6 million of net proceeds
20 to pay costs of infrastructure projects, plus the amounts required to pay bond-related costs.

21 (2) The net proceeds from the sale of the infrastructure lottery bonds shall be allocated to the
22 Oregon Business Development Department [*for the Oregon Infrastructure Finance Authority*] for the
23 State of Oregon's match of federal moneys under the Safe Drinking Water Act.

24 (3) The net proceeds from the sale of the infrastructure lottery bonds that are available to pay
25 costs of infrastructure projects shall be credited to the Water Fund created by ORS 285B.563. All
26 such net proceeds are appropriated continuously to the Oregon Business Development Department
27 [*for the authority*] only for payment of costs of infrastructure projects described in subsection (2) of
28 this section and for payment of bond-related costs that are allocable to infrastructure lottery bonds.

29 (4) The [*authority*] **Oregon Business Development Department** and any municipality receiving
30 proceeds of infrastructure lottery bonds shall, if so directed by the Oregon Department of Adminis-
31 trative Services, take any action specified by the Oregon Department of Administrative Services
32 that is necessary to maintain the excludability of lottery bond interest from gross income under the
33 United States Internal Revenue Code.

34 **SECTION 40.** ORS 285B.563 is amended to read:

35 285B.563. (1) There is established in the State Treasury, separate and distinct from the General
36 Fund, the Water Fund. Interest earned by the Water Fund shall be credited to the fund. All moneys
37 in the Water Fund are continuously appropriated to the Oregon Business Development Department
38 [*for the Oregon Infrastructure Finance Authority*] for the purposes described in ORS 285B.560 to
39 285B.599, including the direct project management costs.

40 (2)(a) Moneys in the Water Fund may be obligated to water projects.

41 (b) Moneys shall be used primarily to make loans to municipalities. The [*authority*] **department**
42 may make a loan only if:

43 (A) The municipality applying for the loan certifies to the department that adequate funds will
44 be available to repay the loan; and

45 (B) The [*authority*] **department** determines that the amount of the loan applied for is based on

1 a reasonable and prudent expectation of the municipality's ability to repay the loan.

2 (c) The [authority] **department** may award a grant if a loan is not feasible due to:

3 (A) Financial hardship to the municipality, as determined by the [authority] **department**, based
4 on consideration of anticipated water service charges or anticipated waste water service charges,
5 the per capita income of the municipality and any other factors as the department by rule may es-
6 tablish; and

7 (B) Special circumstances of the water project.

8 (d) The [authority] **department** may also award grants from the fund to:

9 (A) Identify and implement sustainable technologies and practices;

10 (B) Build asset management capacity for municipalities;

11 (C) Plan for strategic initiatives that focus on the regionalization of water systems; or

12 (D) Provide third party technical assistance to communities in the development of water systems
13 that include asset management components.

14 (e) The [authority] **department** may determine the amount of grant or loan funding on a case-
15 by-case basis.

16 (3) The moneys in the fund may also be used to assist the [authority] **department** in selling re-
17 venue bonds on behalf of municipalities in order to carry out the purposes of ORS 285B.560 to
18 285B.599.

19 (4) Moneys in the Water Fund may be invested as provided by ORS 293.701 to 293.857. The
20 earnings from the investments and other program income shall be credited to the Water Fund.

21 (5) The Water Fund shall consist of:

22 (a) Moneys appropriated to the fund by the Legislative Assembly.

23 (b) Moneys transferred to the fund by the [authority] **department** from the Special Public Works
24 Fund created by ORS 285B.455.

25 (c) Moneys transferred to the Water Fund by the Water Resources Commission from the Water
26 Development Fund created by Article XI-I(1) of the Oregon Constitution.

27 (d) Moneys from any federal, state or other grants.

28 (e) Proceeds of revenue bonds issued under ORS 285B.575.

29 (f) Earnings on the Water Fund.

30 (6) The [authority] **department** shall administer the fund.

31 (7) The department shall adopt rules and policies for the administration of the fund. The de-
32 partment shall coordinate its rulemaking regarding safe drinking water projects with the Water
33 Resources Department and the Oregon Health Authority. The rules adopted under this subsection
34 for safe drinking water projects shall:

35 (a) Require the installation of meters on all new active service connections from any distribution
36 lines funded with moneys from the fund or from the proceeds of revenue bonds issued under ORS
37 285B.572 to 285B.578.

38 (b) Require a plan, to be adopted by a municipality receiving financial assistance from the fund,
39 for installation of meters on all service connections throughout the drinking water system not later
40 than two years after the completion of a safe drinking water project.

41 (8)(a) The [Oregon Infrastructure Finance Authority] **Oregon Business Development Depart-**
42 **ment** shall manage the Water Fund and any expenditures from accounts in the fund and transfers
43 between accounts so that the fund provides a continuing source of financing consistent with ORS
44 285B.413.

45 (b) If necessary to ensure repayment of bonds issued under ORS 285B.560 to 285B.599, the [au-

1 *thority* **department** may reduce the value of the fund when the [*authority*] **department**:

2 (A) Finds that without a reduction in fund value, bonds secured by the fund are likely to be in
3 default; and

4 (B) Imposes a moratorium on grants until the requirements of paragraph (a) of this subsection
5 are satisfied.

6 (9)(a) The [*authority*] **department** may charge administrative costs to the fund, but not to mon-
7 eys segregated in the account created by subsection (11) of this section, to pay for administrative
8 costs incurred by the [*authority*] **department**.

9 (b) To the extent permitted by federal law, administrative costs of the [*authority*] **department**
10 may be paid from bond proceeds.

11 (10) The [*authority*] **department** may establish other accounts within the Water Fund for the
12 payment of water projects costs, reserves, debt service payments, credit enhancements, costs of is-
13 suing revenue bonds, administrative costs and operating expenses or any other purpose necessary
14 to carry out ORS 285B.560 to 285B.599.

15 (11) There is created within the Water Fund a separate and distinct account for the proceeds
16 from the sale of water development general obligation bonds issued for safe drinking water projects
17 and credited to the special account under this section. Any investment earnings thereon shall be
18 segregated in and continuously appropriated to a special, separately accounted for subaccount of
19 this account. Moneys credited to this account shall be maintained separate and distinct from moneys
20 credited to subaccounts created under subsection (10) of this section. Notwithstanding ORS
21 285B.566 or subsection (4) of this section, all repayments of moneys loaned from the account created
22 by this subsection, including interest on the moneys, shall be credited to the Water Development
23 Administration and Bond Sinking Fund created by ORS 541.830.

24 (12) As used in this section, “administrative costs” include the [*authority’s*] **department’s** direct
25 and indirect costs for investigating and processing an application, developing a contract, monitoring
26 the use of funds by a municipality, investigating and resolving a budget discrepancy, closing a
27 project and providing financial and other assistance to a municipality.

28 **SECTION 41.** ORS 285B.572 is amended to read:

29 285B.572. (1) The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development**
30 **Department** shall determine eligibility of a water project for revenue bond financing under ORS
31 285B.560 to 285B.599 pursuant to rules adopted by the [*Oregon Business Development*] department.

32 (2) Upon determining that a water project is eligible for revenue bond financing, the
33 [*authority*] **department** shall forward a description of the project to the State Treasurer. The State
34 Treasurer shall determine whether to issue revenue bonds.

35 **SECTION 42.** ORS 285B.581 is amended to read:

36 285B.581. (1) Any loan of moneys to a municipality by the state shall include a plan for repay-
37 ment by the municipality of moneys borrowed from the Water Fund for a water project and interest
38 on those moneys at a rate expressly specified. The repayment plan:

39 (a) Shall provide for evidence of debt assurance of, and security for, repayment by the munic-
40 ipality as is considered necessary by the [*Oregon Infrastructure Finance Authority*] **Oregon Business**
41 **Development Department**.

42 (b) May set forth the allocation of special assessments or contractual responsibilities among the
43 owners of benefited properties for repayment to the municipality of the amount of the loan.

44 (c) May not exceed the usable life of the contracted project or 30 years from the year of project
45 completion, whichever is less.

1 (2) Notwithstanding any other provision of law or any restriction on indebtedness contained in
 2 a charter, a municipality may borrow from the fund by entering into a loan contract with the [*au-*
 3 *thority*] **department**. The contract may be repaid from:

- 4 (a) The revenues of any water project, including special assessment revenues;
- 5 (b) Amounts withheld under ORS 285B.599;
- 6 (c) The general fund of the municipality; or
- 7 (d) Any other source.

8 (3) A loan contract authorized under subsection (2) of this section may provide that a portion
 9 of the proceeds of the loan be applied to fund a reserve fund to secure the repayment of the loan
 10 or secure the repayment of revenue bonds issued to fund the loan.

11 (4) A loan contract authorized under subsection (2) of this section shall be authorized by an
 12 ordinance, order or resolution adopted by the governing body of the municipality.

13 **SECTION 43.** ORS 285B.584 is amended to read:

14 285B.584. The [*Oregon Infrastructure Finance Authority*] **Oregon Business Development De-**
 15 **partment** may:

16 (1) Make all contracts, execute all instruments and do all things necessary or convenient for the
 17 exercise of the powers granted by this section, or for the performance of its covenants or duties,
 18 or in order to secure the payment of its bonds;

19 (2) Enter into and perform such contracts and agreements with municipalities as the
 20 [*authority*] **department** may consider proper and feasible for or concerning the planning, con-
 21 struction, installation, lease or other acquisition, and the financing of water projects; and

22 (3) Enter into covenants for the benefit of bond owners regarding the use and expenditure of
 23 moneys in the Water Fund.

24 **SECTION 44.** ORS 285B.590 is amended to read:

25 285B.590. In addition to making loans to municipalities for water projects, the [*Oregon*
 26 *Infrastructure Finance Authority*] **Oregon Business Development Department** may provide any
 27 other form of financial or other assistance that the [*authority*] **department** may consider appropriate
 28 to assist municipalities with water projects, including direct purchase by the [*authority*] **department**
 29 of goods and services related to a water project.

30 **SECTION 45.** ORS 285B.593 is amended to read:

31 285B.593. Out of the moneys in the Water Fund, the [*Oregon Infrastructure Finance Authority*]
 32 **Oregon Business Development Department** may make technical assistance grants and loans to
 33 municipalities as specified by the [*Oregon Business Development*] department by rule. Technical as-
 34 sistance grants and loans shall be for the purpose of completing preliminary planning, legal, fiscal
 35 and economic investigations, reports and studies to determine the economic and engineering feasi-
 36 bility of water projects.

37 **SECTION 46.** ORS 197.723 is amended to read:

38 197.723. (1) Within three years after June 28, 2011, in cooperation with local governments and
 39 private industry, the Economic Recovery Review Council, by rule, shall designate at least five and
 40 not more than 15 regionally significant industrial areas. The council shall base the designation of
 41 regionally significant industrial areas on the criteria in the definition of "regionally significant in-
 42 dustrial area" and the judgment of the council concerning the relative importance of the areas in
 43 terms of potential, long-term job creation.

44 (2) A local government may nominate a regionally significant industrial area for designation by
 45 the council.

1 (3) An area containing multiple sites certified by the Oregon Business Development Department
 2 as ready for development within six months or less is eligible for designation by the council if the
 3 area is a regionally significant industrial area.

4 (4) In addition to demonstrating compliance with other provisions of law, including, but not
 5 limited to, a statewide land use planning goal concerning economic development and rules imple-
 6 menting the goal, the future employment potential of a regionally significant industrial area shall
 7 be protected from conflicting development in the following ways:

8 (a) A local government may not adopt a provision of a comprehensive plan or land use regu-
 9 lation that prevents industrial uses within the area.

10 (b) A local government may not adopt a provision of a comprehensive plan or land use regu-
 11 lation that allows new nonindustrial uses within the area that conflict with existing or planned in-
 12 dustrial uses.

13 (c) A local government may not decrease the land area planned or zoned for industrial uses
 14 within the regionally significant industrial area.

15 (d) A local government may adopt a provision of a comprehensive plan or land use regulation,
 16 including development standards or overlay zones, that restricts the type or extent of current or
 17 future industrial uses within the area, but only if the local government mitigates at the same time
 18 the effect of the new provision by:

19 (A) Clearly maintaining or increasing the industrial employment potential of the area; and

20 (B) Clearly maintaining the important site characteristics and functions that led to the desig-
 21 nation of the site as a regionally significant industrial area.

22 (5) Subsection (4) of this section does not apply to a provision of a comprehensive plan or land
 23 use regulation that is necessary:

24 (a) To protect public health or safety; or

25 (b) To implement federal law.

26 (6) If 50 percent of the developable land within a regionally significant industrial area has not
 27 been developed within 10 years after designation of the area, the council shall remove the desig-
 28 nation, unless landowners representing a majority of the land within the area request that the desig-
 29 nation be continued.

30 (7) Within a regionally significant industrial area, a new industrial use or the expansion of an
 31 existing industrial use is eligible for an expedited industrial land use permit issued under ORS
 32 197.724 if the new or expanded use does not require a change to the acknowledged comprehensive
 33 plan or land use regulations.

34 (8) In addition to other criteria for distribution of available funds, the [*Oregon Infrastructure*
 35 *Finance Authority*] **Oregon Business Development Department** and the Oregon Transportation
 36 Commission may consider the designation of an area as a regionally significant industrial area in
 37 prioritizing funding for transportation and other public infrastructure.

38 (9) ORS 197.722 to 197.728 do not apply to land in the Willamette River Greenway Plan boundary
 39 between river mile 1 and river mile 11.

40 **SECTION 47.** ORS 401.910 is amended to read:

41 401.910. (1) The Oregon Business Development Department shall develop a grant program for the
 42 disbursement of funds for the seismic rehabilitation of critical public buildings, including hospital
 43 buildings with acute inpatient care facilities, fire stations, police stations, sheriffs' offices, other fa-
 44 cilities used by state, county, district or municipal law enforcement agencies and buildings with a
 45 capacity of 250 or more persons that are routinely used for student activities by kindergarten

1 through grade 12 public schools, community colleges, education service districts and institutions of
 2 higher education. The [*Oregon Infrastructure Finance Authority established in the department by ORS*
 3 *285A.096*] **department** shall administer the grant program developed under this section. The funds
 4 for the seismic rehabilitation of critical public buildings under the grant program are to be provided
 5 from the issuance of bonds pursuant to the authority provided in Articles XI-M and XI-N of the
 6 Oregon Constitution.

7 (2) The grant program shall include the appointment of a grant committee. The grant committee
 8 may be composed of any number of persons with qualifications that the [*authority*] **department** de-
 9 termines necessary. However, the [*authority*] **department** shall include persons with experience in
 10 administering state grant programs and representatives of entities with responsibility over critical
 11 public buildings. The [*authority*] **department** shall also include as permanent members represen-
 12 tatives of:

- 13 (a) The Office of Emergency Management;
- 14 (b) The State Department of Geology and Mineral Industries;
- 15 (c) The Seismic Safety Policy Advisory Commission;
- 16 (d) The Oregon Department of Administrative Services;
- 17 (e) The Department of Education;
- 18 (f) The Oregon Health Authority;
- 19 (g) The Oregon Fire Chiefs Association;
- 20 (h) The Oregon Association Chiefs of Police;
- 21 (i) The Oregon Association of Hospitals and Health Systems; and
- 22 (j) The Confederation of Oregon School Administrators.

23 (3) The [*authority*] **Oregon Business Development Department** shall determine the form and
 24 method of applying for grants from the grant program, the eligibility requirements for grant appli-
 25 cants, and general terms and conditions of the grants. The [*authority*] **department** shall also provide
 26 that the grant committee review grant applications and make a determination of funding based on
 27 a scoring system that is directly related to the statewide needs assessment performed by the State
 28 Department of Geology and Mineral Industries. Additionally, the grant process may:

29 (a) Require that the grant applicant provide matching funds for completion of any seismic re-
 30 habilitation project.

31 (b) Provide authority to the grant committee to waive requirements of the grant program based
 32 on special circumstances such as proximity to fault hazards, community value of the structure,
 33 emergency functions provided by the structure and storage of hazardous materials.

34 (c) Allow an applicant to appeal any determination of grant funding to the [*authority*] **depart-**
 35 **ment** for reevaluation.

36 (d) Provide that applicants release the state, the [*authority*] **department** and the grant commit-
 37 tee from any claims of liability for providing funding for seismic rehabilitation.

38 (e) Provide separate rules for funding rehabilitation of structural and nonstructural building el-
 39 ements.

40 (4) Subject to the grant rules established by the [*authority*] **department** and subject to reeval-
 41 uation by the [*authority*] **department**, the grant committee has the responsibility to review and
 42 make determinations on grant applications under the grant program established pursuant to this
 43 section.

44 **SECTION 48.** ORS 468B.415 is amended to read:

45 468B.415. (1) There is established a safety committee for the Oregon coast. A subcommittee shall

1 be appointed for Coos Bay and Yaquina Bay. In addition, the Department of Environmental Quality
 2 also shall consult with the State of Washington to establish a joint regional safety committee for the
 3 Columbia River and may appoint a subcommittee for the Willamette River. [*The safety committee*
 4 *shall operate under the direction of the Oregon Infrastructure Finance Authority pursuant to ORS*
 5 *285A.615.*]

6 (2) Each committee shall consist of not more than 11 members, appointed by [*the administrator*
 7 *of the Oregon Infrastructure Finance Authority in consultation with*] the Director of the Department
 8 of Environmental Quality. At a minimum, the following groups should be considered for represen-
 9 tation on the committees:

- 10 (a) Local port authorities;
- 11 (b) Tank vessel operators;
- 12 (c) Tug and barge operators;
- 13 (d) Pilots' organizations;
- 14 (e) Cargo vessel operators;
- 15 (f) Commercial fishermen;
- 16 (g) Pleasure boat operators;
- 17 (h) Environmental organizations;
- 18 (i) Local planning authorities; and
- 19 (j) The public at large.

20 (3) The members shall be appointed to the safety committee for a term of four years. The [*ad-*
 21 *ministrator in consultation with the*] Director of the Department of Environmental Quality shall ap-
 22 point the chairperson of each committee to serve a term of four years.

23 (4) A majority of the members shall constitute a quorum for the transaction of business.

24 (5) The duties of the safety committees shall include but are not limited to:

- 25 (a) Planning for safe navigation and operation of covered vessels within each harbor;
- 26 (b) Developing safety plans;
- 27 (c) Reviewing and making recommendations to the Oregon Board of Maritime Pilots, ports and

28 the United States Coast Guard on the following:

29 (A) Pilotage requirements for all single boiler or single engine and single screw tank vessels
 30 carrying oil in pilotage grounds;

31 (B) Reducing deadweight tonnage specifications for pilotage service for vessels carrying oil;

32 (C) Guidelines for tugs on tank vessels for tow cable size and material specifications, cable
 33 maintenance practices, cable handling equipment design and barge recovery plan preparation;

34 (D) Establishing regional speed limits, based on escort vehicle limitations, for all tank vessels
 35 in inland navigable waters and critical approaches to inland navigable waters;

36 (E) Requiring towing systems and plans on all tank vessels carrying oil; and

37 (F) The feasibility of establishing a pilot program for a near-miss reporting system that is coor-
 38 dinated with vessel inspection information compiled as a result of inspections under ORS 468B.370
 39 and 468B.375.

40 (6) Members of the safety committees established under this section are entitled to compensation
 41 and expenses as provided in ORS 292.495.

42 (7) The Department of Environmental Quality shall serve in an advisory capacity to the safety
 43 committees and review the safety plans. In addition, the United States Coast Guard shall be invited
 44 to also act in an advisory capacity to the safety committees and may participate in the review of
 45 safety plans.

1 **SECTION 49.** ORS 777.267 is amended to read:

2 777.267. (1) The Marine Navigation Improvement Fund is established in the State Treasury,
3 separate and distinct from the General Fund. Interest earned by the Marine Navigation Improve-
4 ment Fund shall be credited to the fund. The moneys in the fund and interest earnings on the mon-
5 eys in the fund are continuously appropriated to the Oregon Business Development Department [*for*
6 *the Oregon Infrastructure Finance Authority*] for the purposes of:

7 (a) Paying a portion of the construction costs of dredging activities that constitute new federally
8 authorized navigation improvement projects and are carried out in the harbors and channels on the
9 Oregon coast and along the Columbia River when federal law or regulation requires a portion of the
10 costs to be paid by nonfederal interests;

11 (b) Paying the study and construction costs of other new navigation improvement projects that
12 directly support, or provide access to, a federally authorized navigation improvement project; and

13 (c) Paying the study and construction costs of maintenance projects related to existing federally
14 authorized navigation improvement projects.

15 (2) The Marine Navigation Improvement Fund established by this section consists of moneys
16 appropriated to the fund by the Legislative Assembly, repayment of loans made with moneys in the
17 fund and bond proceeds deposited in the fund.

18 (3) Moneys in the fund shall be used primarily to make loans to ports for eligible projects. The
19 [*authority*] **department** may award a grant or provide other assistance from moneys in the fund to
20 a port for an eligible project only if a loan is not feasible due to the financial hardship of the port
21 or other special circumstances, as set forth in rules adopted by the department.

22 (4) Eligibility for assistance from the Marine Navigation Improvement Fund shall be limited to
23 and funded, subject to the availability of funds, in the following order of priority:

24 (a) Maintenance projects related to existing federally authorized navigation improvement
25 projects.

26 (b) Other new navigation improvement projects that directly support, or provide access to, a
27 federally authorized navigation improvement project or a federally authorized navigation channel.

28 (c) New federally authorized navigation improvement projects.

29 (5) The [*authority*] **department** shall limit financial assistance for construction costs under
30 subsection (1)(a) of this section to those projects that have completed all federally required studies.

31 (6) The [*authority*] **department** shall limit financial assistance for construction costs under
32 subsection (1)(b) of this section to projects sponsored by a port, as defined in ORS 777.005 or 778.005,
33 that meet criteria developed by the [*authority*] **department**.

34 (7) The [*authority*] **department** shall limit financial assistance for study costs under subsection
35 (1)(b) of this section to projects that meet criteria developed by the [*authority*] **department**.

36 (8) The [*authority*] **department** shall limit financial assistance for study and construction costs
37 under subsection (1)(c) of this section to projects that meet criteria developed by the [*authority*]
38 **department**.

39 **SECTION 50.** ORS 777.282 is amended to read:

40 777.282. (1) The Channel Deepening Account is hereby created in the Marine Navigation Im-
41 provement Fund.

42 (2) Any earnings and interest earned on amounts in the Channel Deepening Account shall be
43 credited to the Channel Deepening Account. The moneys in the Channel Deepening Account are
44 continuously appropriated to the Oregon Business Development Department [*for the Oregon*
45 *Infrastructure Finance Authority*] and shall be transferred by the [*authority*] **department** to the pri-

1 Development Department relating to transfers of records, property and employees under this
 2 section, and the Governor's decision is final.

4 UNEXPENDED REVENUES

5
 6 **SECTION 53.** (1) The unexpended balances of amounts authorized to be expended by the
 7 Oregon Infrastructure Finance Authority for the biennium beginning July 1, 2013, from re-
 8 venues dedicated, continuously appropriated, appropriated or otherwise made available for
 9 the purpose of administering and enforcing the duties, functions and powers transferred by
 10 section 51 of this 2015 Act are transferred to and are available for expenditure by the Oregon
 11 Business Development Department for the biennium beginning July 1, 2015, for the purpose
 12 of administering and enforcing the duties, functions and powers transferred by section 51 of
 13 this 2015 Act.

14 (2) The expenditure classifications, if any, established by Acts authorizing or limiting
 15 expenditures by the Oregon Infrastructure Finance Authority remain applicable to expen-
 16 ditures by the Oregon Business Development Department under this section.

18 ACTION, PROCEEDING, PROSECUTION

19
 20 **SECTION 54.** The transfer of duties, functions and powers to the Oregon Business De-
 21 velopment Department by section 51 of this 2015 Act does not affect any action, proceeding
 22 or prosecution involving or with respect to such duties, functions and powers begun before
 23 and pending at the time of the transfer, except that the Oregon Business Development De-
 24 partment is substituted for the Oregon Infrastructure Finance Authority in the action, pro-
 25 ceeding or prosecution.

27 LIABILITY, DUTY, OBLIGATION

28
 29 **SECTION 55.** (1) Nothing in section 2 of this 2015 Act, the amendments to ORS 197.723,
 30 285A.010, 285A.103, 285A.213, 285A.306, 285A.600, 285A.615, 285A.627, 285A.654, 285A.657,
 31 285A.660, 285A.669, 285A.672, 285A.678, 285A.681, 285A.684, 285A.687, 285A.693, 285A.702,
 32 285A.705, 285A.708, 285B.410, 285B.413, 285B.419, 285B.422, 285B.437, 285B.440, 285B.455,
 33 285B.460, 285B.462, 285B.465, 285B.467, 285B.470, 285B.503, 285B.506, 285B.512, 285B.515,
 34 285B.533, 285B.563, 285B.572, 285B.581, 285B.584, 285B.590, 285B.593, 401.910, 468B.415, 777.267
 35 and 777.282 by sections 3 to 50 of this 2015 Act or the repeal of ORS 285A.091, 285A.093,
 36 285A.096, 285A.098, 285A.101, 285A.106 and 285A.108 by section 1 of this 2015 Act relieves a
 37 person of a liability, duty or obligation accruing under or with respect to the duties, func-
 38 tions and powers transferred by section 51 of this 2015 Act. The Oregon Business Develop-
 39 ment Department may undertake the collection or enforcement of any such liability, duty
 40 or obligation.

41 (2) The rights and obligations of the Oregon Infrastructure Finance Authority legally
 42 incurred under contracts, leases and business transactions executed, entered into or begun
 43 before the effective date of this 2015 Act are transferred to the Oregon Business Develop-
 44 ment Department. For the purpose of succession to these rights and obligations, the Oregon
 45 Business Development Department is a continuation of the Oregon Infrastructure Finance

1 Authority and not a new authority.

2
3 **RULES**

4
5 **SECTION 56.** Notwithstanding the transfer of duties, functions and powers by section 51
6 of this 2015 Act, the rules of the Oregon Infrastructure Finance Authority in effect on the
7 effective date of this 2015 Act continue in effect until superseded or repealed by rules of the
8 Oregon Business Development Department. References in rules of the Oregon Infrastructure
9 Finance Authority to the Oregon Infrastructure Finance Authority or the Oregon
10 Infrastructure Finance Authority Board, or to an officer or employee of the Oregon
11 Infrastructure Finance Authority or of the Oregon Infrastructure Finance Authority Board,
12 are considered to be references to the Oregon Business Development Department or an of-
13 ficer or employee of the Oregon Business Development Department.

14 **SECTION 57.** Whenever, in any statutory law or resolution of the Legislative Assembly
15 or in any rule, document, record or proceeding authorized by the Legislative Assembly, ref-
16 erence is made to the Oregon Infrastructure Finance Authority or the Oregon Infrastructure
17 Finance Authority Board or to an officer or employee of the Oregon Infrastructure Finance
18 Authority or of the Oregon Infrastructure Finance Authority Board, the reference is con-
19 sidered to be a reference to the Oregon Business Development Department or an officer or
20 employee of the Oregon Business Development Department.

21
22 **ACTIONS BY DIRECTOR**

23
24 **SECTION 58.** The Director of the Oregon Business Development Department may take
25 any action before the effective date of this 2015 Act that is necessary to enable the director
26 to exercise, on and after the effective date of this 2015 Act, the duties, functions and powers
27 of the director pursuant to section 51 of this 2015 Act.

28
29 **AGENCY NAME CHANGE**

30
31 **SECTION 59.** For the purpose of harmonizing and clarifying statutory law, the Legislative
32 Counsel may substitute for words designating the “Oregon Infrastructure Finance
33 Authority” or the “Oregon Infrastructure Finance Authority Board” or its officers, wherever
34 they occur in statutory law, words designating the “Oregon Business Development Depart-
35 ment” or its officers.

36
37 **UNIT AND SECTION CAPTIONS**

38
39 **SECTION 60.** The unit and section captions used in this 2015 Act are provided only for
40 the convenience of the reader and do not become part of the statutory law of this state or
41 express any legislative intent in the enactment of this 2015 Act.