

SB 622 -1 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

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Meeting Dates: 6/14, 6/18

WHAT THE MEASURE DOES:

Establishes the Levee Project Grant Fund at the Oregon Business Development Department. Grants made from the fund are for levee projects as defined by statute. The measure mandates that at least 60 percent of awarded grant funds are be used for projects in rural or distressed areas. The measure also expands the existing statutory definition of a levee project to include levee construction and capital improvements, flood control embankments, and flood control facilities. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Fiscal impact of the bill
- Changes in bill due to amendments

EFFECT OF AMENDMENT:

-1 Removes section 1 of the introduced bill, eliminating the bond authorization. The remaining provisions are unchanged.

BACKGROUND:

The Oregon Infrastructure Finance Authority, within the Oregon Business Development Department (OBDD), administers the Levee Project Grant Fund. The fund provides grants for levee projects to eligible entities that include drainage districts, drainage or flood control corporations, and organizations and individuals working on levees. Applicants must match at least 20 percent of the award amount to qualify; awards are limited to \$2 million per applicant in a single biennium; and awards for construction or capital improvement projects are limited to 80 percent of the total project cost.

The Legislative Assembly allocated \$15 million in lottery bond sales to the fund for the 2019-2021 biennium. However, due to a significant decline in lottery revenues during the biennium, no lottery revenue bonds and funding were available for approved projects and programs. Previous levee project funding flowed through a subaccount in the Special Public Works Fund at OBDD, though primarily for loans rather than grants.

Senate Bill 622 authorizes \$10 million in lottery bonds for deposit in the Levee Project Grant Fund. The measure requires at least 60 percent of awarded grant funds to be used for projects in the following areas: areas outside the Portland Metropolitan Area Regional Urban Growth Boundary; areas outside the urban growth boundaries of cities with 30,000 or more residents; or counties, cities, or other areas OBDD classifies as distressed based on economic indicators such as unemployment. In addition, Senate Bill 622 expands the definition of levee projects to include levee construction and capital improvements, flood control embankments, and flood control facilities.