

SB 634 STAFF MEASURE SUMMARY

Senate Committee On Natural Resources

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/13

WHAT THE MEASURE DOES:

Authorizes issuance of \$15 million in lottery bonds for deposit in the Levee Project Grant Fund, to be used for investigating the adequacy of levees and improving levees so that they can be certified and accredited. Requires lottery bonds be issued no later than June 30, 2024. Establishes legislative findings related to the benefits of this use of lottery bond proceeds. Declares emergency, effective July 1, 2023.

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

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Levees are human-made structures that are designed to control or divert water flow and reduce the risk of flooding and associated impacts to the built environment. They can be made from concrete, steel, or compacted earth, and protect large cities and small rural communities alike.

In Oregon and nationally, most levees are locally owned and maintained; the U.S. Army Corps of Engineers builds and maintains only a small percentage of the nation's levees. The Federal Emergency Management Agency sets safety standards for levees, which must be met in order to receive and maintain accreditation to qualify for the national flood insurance program. Those standards have become more rigorous post-Hurricane Katrina, levee infrastructure is aging, and many Oregon levees are at risk of having federal accreditation revoked.

In 2015, the Legislative Assembly created a financial assistance program for levy projects, and directed the Oregon Infrastructure Finance Authority to provide grants and loans to drainage districts, corporations or companies, and for-profits, nonprofits, and individuals engaged in the ownership, construction, inspection, accreditation, certification, or repair of levees. In 2019, the Legislative Assembly established the Levee Project Grant Fund through House Bill 5030, authorizing \$15 million in lottery bonds for levee projects. Grants from the fund are limited to \$2 million maximum per grant applicant per biennium for planning projects; may not exceed 80 percent of the total project cost for construction or capital improvement projects; may not be awarded unless the applicant pledges at least 20 percent matching funds; and at least 60 percent of the grants must be used to provide levee project assistance to rural or distressed areas of the state. In 2021, the Legislative Assembly enacted House Bill 5006, approving an increase of \$15 million Other Funds expenditure limitation from the net proceeds of lottery bonds for levee project grants.

Senate Bill 634 would authorize issuance of \$15 million in lottery bonds for deposit in the Levee Project Grant Fund, to be used for investigating the adequacy of levees and improving levees.