

Enrolled
House Bill 3195

Sponsored by Representative HOLVEY (at the request of Department of Environmental Quality)

CHAPTER

AN ACT

Relating to eligibility for financial assistance from the Water Pollution Control Revolving Fund; amending ORS 468.423, 468.425 and 468.429.

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

SECTION 1. ORS 468.423 is amended to read:

468.423. As used in ORS 468.423 to 468.440:

- (1) "Available sewer" has the meaning given that term in ORS 454.779.
- (2) "Fund" means the Water Pollution Control Revolving Fund established under ORS 468.427.
- (3) "On-site septic system" has the meaning given that term in ORS 454.779.
- (4) "Public agency" means:

- (a) A state agency, incorporated city, county, sanitary authority, federally recognized Indian tribal government, school district, county service district, sanitary district, metropolitan service district or other special district [*authorized or required to construct water pollution control facilities*]; or

- (b) An intergovernmental entity created by units of local government under ORS 190.003 to 190.130.

- (5) "Qualified institution" means a nonprofit organization registered to operate in the State of Oregon that is certified as a community development financial institution by the Community Development Financial Institution Fund at the United States Department of the Treasury.

- (6) "Treatment works" means:

- (a) The devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial wastes of a liquid nature, necessary to recycle or reuse water at the most economical cost over the estimated life of the works. "Treatment works" includes:

- (A) Intercepting sewers, outfall sewers, sewage collection systems, pumping power and other equipment, and any appurtenance, extension, improvement, remodeling, addition or alteration to the equipment;

- (B) Elements essential to provide a reliable recycled water supply including standby treatment units and clear well facilities; and

- (C) Any other acquisitions that will be an integral part of the treatment process or used for ultimate disposal of residues resulting from such treatment, including but not limited to land used to store treated waste water in land treatment systems prior to land application.

- (b) Any other method or system for preventing, abating, reducing, storing, treating, separating or disposing of municipal waste, storm water **or nonpoint source related** runoff, industrial waste or waste in combined storm water and sanitary sewer systems.

(c) Any other facility that the Environmental Quality Commission determines a public agency must construct or replace in order to abate or prevent surface or ground water pollution.

SECTION 2. ORS 468.425 is amended to read:

468.425. It is declared to be the policy of this state:

(1) To aid and encourage public agencies [*required*] **with authority** to provide treatment works for the control of water pollution, **or responsibility for implementing a nonpoint source management plan pursuant to the nonpoint source management program described in ORS 468.429**, in the transition from reliance on federal grants to local self-sufficiency by the use of fees paid by users of the treatment works;

(2) To aid and encourage qualified institutions to assist in the protection or maintenance of water quality in the waters of this state by financing projects to repair or replace failing on-site septic systems or to replace failing on-site septic systems with connections to an available sewer;

(3) To accept and use any federal grant funds available to capitalize a perpetual revolving loan fund; and

(4) To assist public agencies in meeting treatment works' construction obligations in order to prevent or eliminate pollution of surface and ground water by making loans from a revolving loan fund at interest rates that are less than or equal to market interest rates.

SECTION 3. ORS 468.429 is amended to read:

468.429. (1) The Department of Environmental Quality shall use the moneys in the Water Pollution Control Revolving Fund to provide financial assistance:

(a) To public agencies for the construction or replacement of treatment works.

(b) To qualified institutions to finance projects to repair or replace failing on-site septic systems or to replace failing on-site septic systems with connections to an available sewer.

(c) For the implementation of a management program established under section 319 of the federal Water Quality Act of 1986 relating to the management **and prevention** of nonpoint sources of pollution.

(d) For development and implementation of a conservation and management plan under section 320 of the federal Water Quality Act of 1986 relating to the national estuary program.

(2) The department may also use the moneys in the Water Pollution Control Revolving Fund for the following purposes:

(a) To buy or refinance the debt obligations of public agencies for eligible projects as listed under subsection (1) of this section, if the debt obligation was incurred after March 7, 1985.

(b) To guarantee, or purchase insurance for, public agency obligations for treatment works' construction or replacement if the guarantee or insurance would improve credit market access or reduce interest rates, or to provide loans to a public agency for this purpose.

(c) To pay the expenses of the department in administering the Water Pollution Control Revolving Fund, to make transfers to the Water Pollution Control Administration Fund, or to pay other departmental costs including expenses of the program described in ORS 468.433 (2).

(3) If amounts are advanced to the Water Pollution Control Revolving Fund from the Pollution Control Fund under ORS 468.220 (1), the department shall transfer from the Water Pollution Control Revolving Fund to the Pollution Control Sinking Fund amounts sufficient to pay the bonds that funded the advance.

Passed by House March 16, 2023

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Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

Passed by Senate April 27, 2023

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Rob Wagner, President of Senate

Received by Governor:

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Approved:

.....M,....., 2023

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M,....., 2023

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Shemia Fagan, Secretary of State