Senate Bill 1017

Sponsored by Senator HAYDEN

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.**

Directs Oregon Business Development Department to develop and administer matching grant program to assist rural cities in financing infrastructure projects for other than transportation-related infrastructure, including facilities for water service, sewer service, water and sewer treatment or waste management and other infrastructure necessary for maintenance of community health, hygiene, sanitation and livability.

1 **A BILL FOR AN ACT**

2 Relating to grants for infrastructure projects of rural cities.

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

4 **SECTION 1. There is appropriated to the Oregon Business Development Department, for**

5 **the biennium beginning July 1, 2023, out of the General Fund, the amount of $20,000,000, for**

6 **the purpose of carrying out the provisions of section 2 of this 2023 Act.**

7 **SECTION 2. (1) As used in this section:**

8 **(a) "Core infrastructure" includes, but is not limited to, facilities for water service, sewer**

9 **service, water and sewer treatment or waste management and other infrastructure neces-**

10 **sary for the maintenance of community health, hygiene, sanitation and livability. "Core**

11 **infrastructure" does not include transportation-related infrastructure.**

12 **(b) "Core infrastructure project" means a capital project to construct, repair, replace,**

13 **retrofit or otherwise erect or improve core infrastructure for a rural city.**

14 **(c) "Rural city" means a city with a population of less than 15,000 that is located entirely**

15 **outside the urban growth boundaries of all cities with populations of 15,000 or more, as the**

16 **urban growth boundaries are acknowledged on the date on which an applicant submits an**

17 **application for a grant under this section.**

18 **(d) "Shovel-ready" means that a city has identified the local funding source required for**

19 **a grant under this section and obtained the funding.**

20 **(2)(a) The Oregon Business Development Department shall develop and administer a**

21 **matching grant program to assist rural cities in financing core infrastructure projects.**

22 **(b) To be eligible for a matching grant under this section, a core infrastructure project**

23 **must:**

24 **(A) Be shovel-ready;**

25 **(B) Have obtained local financing that constitutes at least 20 percent of total financing**

26 **for the project; and**

27 **(C) Begin work at the site no later than June 30, 2025.**

28 **(c) A matching grant may be awarded in a one-to-one ratio in an amount not greater**

29 **than $2 million.**

30 **(3)(a) The department shall prescribe an application process for grants made under this**

1 section, including forms and deadlines.

2 (b) The governing body of a rural city seeking an award under this section must submit

3 an application to the department that, at a minimum:

4 (A) Establishes the city's status as a rural city.

5 (B) Describes the core infrastructure project for which the grant is sought and the ne-

6 cessity of the project.

7 (C) Sets forth in detail the proposed financing of the project, including the amount of

8 local financing obtained and the amount of the grant sought. A bond issuance may be con-

9 sidered obtained if the bonds are waiting to close.

10 (D) Includes a schedule for all phases of the project.

11 (E) Contains any other information the department considers necessary or useful to re-

12 view the application.

13 (F) Is signed by a member of the governing body of the city, or other officer or employee

14 of the city who is authorized to sign, under penalties for false swearing.

15 (4) In reviewing applications, the department shall give greater priority to:

16 (a) Core infrastructure projects to the degree they are necessary for the maintenance

17 of community health, hygiene and sanitation; and

18 (b) Smaller grant award requests that will enable the applicant to complete a core

19 infrastructure project.

20 (5)(a) The department shall prescribe an application period of 30 days.

21 (b) During the application period, the department may consult with an applicant about

22 the application and the applicant, after such consultation, may amend the application.

23 (c) Not later than 30 days following the close of the application period, and in no event

24 later than March 1, 2024, the department shall review all timely and complete applications

25 in accordance with the process prescribed by the department and:

26 (A) Approve the application as submitted;

27 (B) Approve the application for a grant amount other than the amount requested in the

28 application; or

29 (C) Reject the application.

30 (d) The department shall promptly notify each applicant of the approval or rejection of

31 the application and make a grant offer to each approved applicant.

32 (e) The grant amount offered and the rejection of an application may not be appealed.

33 (f) If the applicant accepts the offer, the department shall enter into a grant agreement

34 with the governing body of the rural city before disbursing the approved grant amount.

35 (6) The governing body of each rural city that receives a matching grant shall submit a

36 quarterly report to the department that sets forth:

37 (a) The progress of the core infrastructure project; and

38 (b) A detailed account of how the grant moneys have been expended.

39 (7)(a) The department may seek to recover grant moneys by any lawful means if the de-

40 partment determines:

41 (A) That any person willfully made a false statement or misrepresentation, or willfully

42 failed to report a material fact, to obtain a matching grant under this section; or

43 (B) The grant moneys have not been expended in accordance with the rural city's appli-

44 cation, the grant agreement between the department and the rural city, this section or any

45 other applicable provision of law.

1   **(b) The department may add a penalty not to exceed 20 percent of the grant award**

2   **amount to the amount to be repaid.**

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