

HB 2726 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/18, 3/13

WHAT THE MEASURE DOES:

The measure establishes the Columbia Corridor Flood Safety Project.

Detailed Summary

Section 1-2

- Describes project goal as upgrading flood safety infrastructure along the Columbia Slough and lower Columbia River in Multnomah County.
- Authorizes the State Treasurer to issue lottery bonds for the biennium beginning July 1, 2025; not to exceed \$20 million in net proceeds and bond-related costs.
- Establishes the Columbia Corridor Flood Safety Fund.
- Reports the list of improvements the Legislative Assembly finds the use of lottery bonds will achieve.
- Requires bonds be issued before June 30, 2037.

Section 3

- Authorizes the State Treasurer to issue lottery bonds for the biennium beginning July 1, 2027, not to exceed \$25 million in net proceeds, plus additional amount estimated by the State Treasurer for bond related costs.
- Transfers fund to the Columbia Corridor Flood Safety Fund; reports the list of improvements the Legislative Assembly finds the use of lottery bonds will achieve.
- Requires bonds be issued before June 30, 2037.

Section 4

- Requires the Oregon Business Development Department to develop a grant program to award funds to the Urban Flood Safety Water District.
- Requires the department to create a grant making process; limits proposals to bond proceeds available.
- Defines the grant agreement process; requires process around incremental distribution of bond proceeds; requires the district to reimburse funds if projects are not completed by July 1, 2037, or if the district cannot guarantee the return of grant funds.
- Defines the process that allows the district to retain funds if projects are not substantially completed.
- Describes budgeting, grant approval, and grant distribution requirements for the district and the department.
- States the State of Oregon and departments are not liable to lenders, vendors, or contracts of district agreements; requires the district to indemnify the state for liability the state incurs with any borrowing by the district at any stage of the project.

Section 5

- Establishes the Columbia Corridor Flood Safety Fund; describes how funding is appropriated.
- Describes the use of funds.

Fiscal impact: Fiscal lite

Revenue impact: Revenue lite

ISSUES DISCUSSED:

This summary has not been adopted or officially endorsed by action of the committee.

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- Identifying what is in the floodplain, including businesses, industries, residential areas, transportation and distribution infrastructure.
- Questions about 2024 bond funding and federal match requirements.
- Concerns about increased flooding risk.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Senate Bill 431 (2019) created the Urban Flood & Water Quality District with the authority to construct, operate, and maintain flood management infrastructure, respond to flood emergencies, and contribute to water quality, habitat, and landscape resiliency in the managed floodplain. The district boundary is tied to Multnomah County within the Urban Growth Boundary (UGB) as set by Metro.

In 2024, Multnomah County voters approved Ballot Measure 26-243 which authorized the Flood Safety District to issue \$150 million in general obligation bonds, with an estimated annual tax rate for the bonds being \$0.11 per \$1,000 of assessed value. According to the district they still need approx. \$45 million to complete the list of needed improvements.