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To: Natural Resources Subcommittee
From: April McDonald, Legislative Fiscal Office
Date: June 2, 2025
Subject: HB 5040 – Relating to the financial administration of the Oregon Watershed Enhancement Board

Work Session Recommendations

The Oregon Watershed Enhancement Board (OWEB) provides and administers grants to help protect and restore healthy watersheds and natural habitats throughout the state.

HB 5040 includes six-year expenditure limitation for the constitutionally dedicated Lottery Funds included in OWEB's budget for the provision of grants as directed under Ballot Measure 76. An allocation of 7.5% of net lottery proceeds is deposited into OWEB's Natural Resources subaccount for the purpose of financing projects to restore and protect native salmonids, watersheds, habitats and water quality in Oregon. Of the total deposited, 70% is dedicated to grants and 30% to operations, which is allocated to five agencies including OWEB. HB 5039, OWEB's primary budget bill, includes the 30% for operations, and HB 5040 includes the 70% allocation as well as some carry-over balance and interest earned, totaling \$107,812,436 Lottery Funds. HB 5040 provides six-year expenditure limitation to allow time for grant funds to be fully expended and avoid large carry-forward balances.

Final Subcommittee Action

LFO recommends that HB 5040 be moved to the Ways and Means Full Committee.

MOTION: I move HB 5040 to the Full Committee with a do pass recommendation.
(vote)

Carriers

Full Committee:

House Floor:

Senate Floor: