

HB 3654 STAFF MEASURE SUMMARY

Carrier: Rep. Diehl

**House Committee On Emergency Management, General
Government, and Veterans**

Action Date: 04/08/25

Action: Do Pass.

Vote: 7-0-0-0

Yeas: 7 - Boice, Evans, Grayber, Lewis, Skarlatos, Tran, Watanabe

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 3/27, 4/8

WHAT THE MEASURE DOES:

The measure sets maximum matching fund requirements for capital construction and municipal infrastructure grants made by the State of Oregon, to incorporated cities with a population not greater than 20,000 people.

Detailed Summary

- Limits match fund requirements for incorporated cities:
 - with a population of 5,000 or less, to up to three percent of a grant award of \$100,000 or less; five percent of a grant award greater than \$100,000.
 - with a population greater than 5,000 but not more than 7,500, to seven percent of a grant award.
 - with a population greater than 7,500 but not more than 10,000, to nine percent of a grant award.
 - with a population greater than 10,000 but not more than 20,000, to 12 percent of a grant award.
- Allows incorporated cities with a population of not greater than 20,000 to use capital construction and municipal infrastructure grant moneys for all phases of funded project, including engineering, planning and support.
- Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Concerns from rural communities about existing infrastructure and the ability to pay for larger capital projects
- Examples of how a limit on state matching funds would reduce overall project costs to smaller communities
- Concerns about rising utility rates and inflation, paying off existing bond measures, and limited property tax revenue

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Matching fund requirements for state grants vary depending on the program. Some require a minimum cash match, others may require a 1:1 match, while still others may allow in-kind contributions. An example of a limit on matching funds related to population size limit is the federally funded Certified Local Government Grant, offered by the Oregon Parks and Recreation Department to support the preservation of historic properties and archaeological sites. A 1:1 matching fund requirement is required for cities with a population of 5,000 or more, but no specific matching amount is required for cities with a population of 4,999 or under.