



SB 830 Fact Sheet

Failing Septic System Assistance

Background

Onsite septic systems that are properly installed and maintained provide for healthy communities and protection of clean water sources. However, failing onsite septic systems are a significant source of water quality pollution in many parts of the state and represent a threat to public health. The Oregon Department of Environmental Quality may provide financial assistance resources for households struggling with costs needed for septic system repairs or replacements. Prior funding supporting these financial assistance programs have been successfully distributed but significant need remains.

In 2015, a broad coalition of community and environmental conservation groups led efforts to establish the Onsite Septic Repair/Replace Loan Program. Since inception in 2016 - and combined with the 2021 awarding of \$15M in American Rescue Plan Act funds (as pass-thru to multiple local, regional and statewide program partners) - State of Oregon onsite septic repair/replace financial assistance has been utilized by over 510 households in 29 counties across the state. These efforts have demonstrated a significant unmet and ongoing need for this financial assistance, as well as the importance of offering grants, in addition to low-interest loans, to low-moderate income households. In the past two years, more than 1,000 households have applied for financial assistance under the ARPA program, which includes grants, loans, and principal forgiveness.

Problem

DEQ's statutory authority to administer this program is limited to low-interest loans and doesn't allow the agency authorize third parties to provide grant funding or loan principal forgiveness to remediate failing onsite systems on properties of lower income households. Also, the current statutory language lacks clarity on whether multi-family and multi-unit housing, which are important for providing affordable housing options, are eligible project recipients for this type of financial assistance.

Proposed Solution

SB 830 would amend ORS 454.777 and 454.779 to allow for DEQ to enter into agreements with third parties to provide funding for repair/replacement of failing septic systems in form of grants, loans or other types of financial assistance; expand funding eligibility to include larger systems serving low-income manufactured home parks (current legislation limits loan support to systems under 3500 GPD); extend legislative direction for continuation of onsite repair/replacement financial assistance; and define and clarify definitions for "residential" and "small business."