

## **SB 1585 -1, -2 STAFF MEASURE SUMMARY**

### **Senate Committee On Commerce and General Government**

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**Meeting Dates:** 2/9, 2/16

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#### **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 grant moneys for all phases of a funded project in addition to construction, including, but not limited to, engineering, planning and support
- Takes effect on the 91st day following adjournment sine die

Fiscal impact: *May have fiscal impact, but statement not yet issued*

Revenue impact: *May have revenue impact, but statement not yet issued*

#### **ISSUES DISCUSSED:**

- Legislative history of the measure
- Application of maximum matching fund limits to cities, potential of expansion to counties and special districts
- Challenges small cities have meeting the current matching grant requirements
- Effects on infrastructure projects in small cities
- Costs associated with engineering, planning, and design of projects

#### **EFFECT OF AMENDMENT:**

-1 The amendment replaces the measure. It sets maximum matching fund requirements for infrastructure grants made by the State of Oregon, not including federal funds, to incorporated cities with a population not greater than 20,000 people, and allows the grant moneys to be used for all phases of the funded project. It takes effect on the 91st day following adjournment sine die.

##### Detailed Summary

Includes projects funded through, or by grants from the:

- Oregon Transportation Commission for safety improvement projects near schools
- Oregon Department of Transportation from the Connect Oregon Fund, and the Multimodal Active Transportation Fund, for certain transportation projects
- the Oregon Infrastructure Finance Authority for levee projects
- the Parks and Natural Resource Fund
- the Water Resource Department for planning studies performed to evaluate the feasibility of developing a water conservation, reuse, or storage project

Limits matching fund requirements for incorporated cities:

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- for a population of 5,000 or fewer people: up to three percent of a grant award of \$100,000 or less, and five percent of a grant award greater than \$100,000
- for a population between 5,000 and 7,500 people: seven percent of a grant award
- for a population between 7,500 and 10,000 people: nine percent of a grant award
- for a population between 10,000 and 20,000 people: 12 percent of a grant award

Allows incorporated cities with a population of fewer than 20,000 people to use capital construction and municipal infrastructure grant moneys for all phases of funded project, including engineering, planning and support.

Fiscal impact: *May have fiscal impact, but statement not yet issued*

Revenue impact: *May have revenue impact, but statement not yet issued*

-2 The amendment replaces the measure. It sets maximum matching fund requirements for infrastructure grants made by the State of Oregon for specific types of capital construction projects.

### Detailed Summary

Maximum matching fund requirements apply to the following grants:

- Oregon Transportation Commission for safety improvement projects near schools
- Oregon Department of Transportation from the Connect Oregon Fund, and the Multimodal Active Transportation Fund, for certain transportation projects
- the Oregon Infrastructure Finance Authority for levee projects
- the Parks and Natural Resource Fund
- the Water Resource Department for planning studies performed to evaluate the feasibility of developing a water conservation, reuse, or storage project

Maximum matching fund requirements for incorporated cities:

- for a population of 5,000 or fewer people: up to three percent of a grant award of \$100,000 or less, and five percent of a grant award greater than \$100,000
- for a population between 5,000 and 7,500 people: seven percent of a grant award
- for a population between 7,500 and 10,000 people: nine percent of a grant award
- for a population between 10,000 and 20,000 people: 12 percent of a grant award

Allows incorporated cities with a population of fewer than 20,000 people to use capital construction and municipal infrastructure grant moneys for all phases of funded project, including engineering, planning and support.

Fiscal impact: *May have fiscal impact, but statement not yet issued*

Revenue impact: *No revenue impact*

### 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.