

SB 1585 A STAFF MEASURE SUMMARY

Carrier: Sen. Manning Jr

Senate Committee On Commerce and General Government

Action Date: 02/16/26

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 5-0-0-0

Yea: 5 - Drazan, Meek, Neron Misslin, Pham, Robinson

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/9, 2/16

WHAT THE MEASURE DOES:

The measure sets the maximum matching fund requirements for state grants to small cities for specific capital construction projects. The measure takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Applies maximum matching fund requirements to the following grants:

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

Applies the following maximum matching fund requirements for incorporated cities:

- For a population of 5,000 or fewer people: Up to 3 percent of a grant award of \$100,000 or less, and 5 percent of a grant award greater than \$100,000
- For a population of 5,000–7,500 people: 7 percent of a grant award
- For a population of 7,500–10,000 people: 9 percent of a grant award
- For a population of 10,000–20,000 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 money for all phases of the funded project, including engineering, planning, and support.

ISSUES DISCUSSED:

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

EFFECT OF AMENDMENT:

The amendment replaces the measure.

BACKGROUND:

Matching fund requirements for state grants vary by program. Some require a minimum cash match; others may require a one-to-one match; and still others may allow in-kind contributions. An example of a limit on matching

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funds related to population size 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 one-to-one matching fund requirement applies 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 fewer.