

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the Committee on Revenue and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	8 - 0 - 0
Yeas:	Bailey, Barnhart, Bentz, Boone, Gilliam, Jenson, Smith J., Cannon
Nays:	0
Exc.:	0
Prepared By:	Beth Patrino, Administrator
Meeting Dates:	4/7, 4/28

WHAT THE MEASURE DOES: Directs Water Resources Commission (WRC) to adopt rules establishing standards for borrowers obtaining loans from Water Development Loan Fund (WDLF). Directs that standards are designed to ensure all loans have high probability of repayment and are adequately secured in event of default. Allows standards to include preference to entities with ad valorem taxing authority. Authorizes State Treasurer, with concurrence of Director of Department of Administrative Services, to issue bonds for funding water development projects. Establishes Water Resources Investment Fund. Establishes Water Resources Grant Fund. Authorizes issuance of lottery bonds in amount not to exceed net proceeds of \$10 million; one-half of proceeds to be deposited in Water Resources Investment Fund, one-half of proceeds to be deposited in Water Resources Grant Fund. Appropriates \$500,000 to Water Conservation, Reuse and Storage Investment Fund. Directs loan recipient to pay to Water Resources Department (WRD) a shared savings fee in specified amount. Establishes fund application requirements. Authorizes WRC to establish application filing fees. Requires public notice of accepted applications and reasonable notice by WRD to Department of Fish and Wildlife (ODFW), Parks and Recreation Department and Department of Environmental Quality (DEQ). Authorizes WRC to establish guidelines for WRD review of applications. Directs guidelines to give priority to projects to recharge aquifers in limited and critical ground water areas and those designed to deliver greatest environmental public benefit. Establishes required criteria for WRD to approve loan or grant application. Directs WRC to adopt rules for use by WRD in evaluating net public benefit of a project; rules require concurrence of ODFW and DEQ prior to adoption. Authorizes lottery bond issuance and use of proceeds to fund integrated strategy for implementing state water resources policy. Directs WRD to report to Seventy-sixth Legislative Assembly on operation of loan and grant programs. Declares an emergency; effective upon passage.

ISSUES DISCUSSED:

- Work group process
- Purposes of various funds
- Application and project review criteria

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

BACKGROUND: The WDLF is authorized by Section I, Article XI of the Oregon Constitution. The fund was established to serve a broad range of eligible borrowers in all regions of the state. The goal in establishing the fund was to provide low-cost, long-term, fixed-rate financing incentives to promote projects to achieve the state's long-term water management goals. Eligible projects include: drainage, irrigation, community water supply (in communities with a population of less than 30,000), fish protection, watershed enhancement, and multipurpose projects. House Bill 3369A makes some changes to the statutes implementing the WDLF and also establishes other funds to support water supply projects.

5/8/2009 8:45:00 AM

This summary has not been adopted or officially endorsed by action of the committee.