

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 8 - 0 - 2

Yeas: Bentz, Cameron, Davis, Doherty, Lively, Nathanson, Parrish, Read

Nays: 0

Exc.: Gorsek, McKeown

Prepared By: Troy Rayburn, Administrator

Meeting Dates: 3/27, 5/22

WHAT THE MEASURE DOES: Extends maximum term of loans made from the Water Fund from 25 years to 30 years.

ISSUES DISCUSSED:

- Another tool in the toolbox for infrastructure financing
- Strategy for outreach
- Option to amortize from 25 years to 30 years

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Infrastructure Finance Authority (IFA) coordinates a number of Oregon’s community development activities. Supported by the Oregon Business Development Department (OBDD) and overseen by a governor-appointed board, the IFA was created to ensure that the state’s infrastructure needs, particularly those related to safe drinking water and wastewater systems, are identified and prioritized in order to maximize the beneficial impact of limited state and local resources for infrastructure development. The IFA is guided by four strategies: provide specialized debt and asset management expertise and programs that provide affordable financing for infrastructure projects; coordinate with federal and state agency funding partners to streamline project approval and get funding to communities as quickly as possible; assist municipalities in planning and development; and work with communities to develop responses to state and local infrastructure priorities to leverage limited resources.

Senate Bill 181 addresses one of the funds overseen and administered by the Infrastructure Finance Authority, the Water Fund (ORS 285B.560 – 285B.599). Moneys in the water fund are appropriated to OBDD for the Infrastructure Finance Authority to make loans to municipalities for water projects, based on applications for financial assistance. The IFA may also make grants from the Water Fund in cases where a loan is not feasible, for study, or for asset building purposes. Under current law, loans made from the Water Fund can be for a maximum term of 25 years; Senate Bill 181 extends the maximum loan term to 30 years.