

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Environment and Natural Resources

REVENUE: No revenue impact (-2)**FISCAL: Fiscal statement issued (-2)****SUBSEQUENT REFERRAL: Ways and Means****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Beth Reiley, Administrator**Meeting Dates:** 3/11, 4/13

WHAT THE MEASURE DOES: Authorizes Environmental Quality Commission (EQC) to adopt rules necessary for Department of Environmental Quality (DEQ) to administer on-site septic system loan program (Loan Program) which prioritizes providing loans to low and moderate income applicants to complete septic system repairs, replacements, or upgrades. Establishes On-site Septic System Loan Fund, from which funds are appropriated to DEQ to pay costs of administering program and provide grants and loans to applicants. Requires that loans provided to applicants must be used for: (1) repairing or replacing damaged on-site septic system or on-site septic system polluting state waters; and (2) upgrade existing on-site septic system with newer or more advanced system that will better protect public health and safety and water quality. Authorizes DEQ to contract with third party to administer or operate all or any part of loan program. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: (Proposed -2 Amendment) Establishes policy of State to offer affordable loans to assist people to remain in their homes and promote long-term homeownership and sustainable housing. Expands on-site septic loan program to small businesses. Limits participation in loan program to lenders that agree to subordinate their liens to borrowers' consensual mortgage liens. Appropriates \$__ to On-Site Septic System Loan Fund. Authorizes funds to be used to provide grants for performing evaluations. Authorizes loans to be used for replacing or repairing waste disposal well or sewage drill hole of otherwise functional system and to conduct survey of system to determine if repair or replacement is necessary. Requires report to interim Legislative Committee related to environmental quality as appropriate during 2016 and 2017 sessions.

BACKGROUND: A septic system is the most common method of sewage treatment for homes and businesses that are not connected to an area wide sewage system. Over 30 percent of Oregonians rely on septic systems to treat wastewater from their homes and businesses. The Department of Environmental Quality (DEQ) regulates the siting, design, installation and ongoing operation and maintenance of septic systems. Properly functioning septic systems treat sewage to minimize groundwater and surface water pollution. Septic systems which fail or malfunction can pollute Oregon's land and waterways with raw sewage and create public health hazards.

DEQ operates the onsite septic system program in 12 counties, referred to as "direct service" counties. Twenty-four county programs are operated under contract with DEQ, referred to as "contract counties". In addition to performing inspections, DEQ and the contract counties are also responsible for ensuring that septic tank pumpers have the necessary equipment to safely pump, transport and dispose of the waste from septic systems, known as septage. In addition, DEQ certifies and licenses installers and pumpers, and reviews and approves products such as septic tanks, alternative treatment technologies and alternative drainfield products.

4/15/2015 10:45:00 AM *

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

Senate Bill 246 would create an on-site septic system loan program prioritizing loans to low and middle income applicants to repair, replace, or upgrade septic systems in order to improve public health and water quality.