

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 306 - B**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Permits Oregon Infrastructure Finance Authority to provide financial assistance for levee projects that contribute to improvement, expansion or repair of infrastructure systems and are essential for use or development of farm, industrial or commercial land.

Government Unit(s) Affected:

Business Development Department (Business Oregon), Water Resources Department

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The bill adds levee projects to the list of qualified uses of monies in the Special Public Works Fund (SPWF). The SPWF is a revolving loan fund operated by the Infrastructure Finance Authority (IFA) within the Oregon Business Development Department (OBDD). The SPWF currently provides loans and grants to local governments to support public infrastructure projects. The bill adds levee projects as a permissible use, but does not require or direct the IFA to approve any such projects, or to allocate any specific dollar amount for such projects. The SPWF is funded by loan repayments, loan-related charges to borrowers, and interest earnings on Fund balances. The Legislature may add additional funds to the SPWF as well, and typically uses Lottery bond proceeds as the revenue source when additional funds are added.

OBDD costs to administer the levee project grants and loans are minimal and can be covered within available resources. The agency is also requesting that \$7 million of Lottery bond proceeds be added to the SPWF to finance levee project loans and grants. Any bond proceeds approved, however, would be included in a bond authorization bill, and not in SB 306.

The bill, as amended, also authorizes the Water Resources Department (WRD) to inspect, evaluate, consult, and map levees, with the permission of the owner of the levee; as well as enter into intergovernmental agreements and accept and receive payment for services performed. Entities eligible for financial assistance for levee projects include drainage districts, corporations or companies, and for-profit entities, nonprofit entities and individuals.

Although the measure provides WRD the ability to provide services for levee projects and to enter into intergovernmental agreements for the payment of those services, the bill does not require any specific work to be performed by WRD nor does it require the services of WRD in conjunction with any grant or loan funding of levee projects from the SPWF. Should the services of WRD as allowed for in the bill be required, the agency may require additional personnel capacity and/or associated additional expenditure limitation, but the magnitude of that need can only be determined once the agreements are in place.