

**PRELIMINARY STAFF MEASURE SUMMARY**

**Senate Committee On Environment and Natural Resources**

**Fiscal:** May have fiscal impact, but no statement yet issued

Sub. Referrals: Joint Committee On Ways

**Revenue:** May have revenue impact, but no statement yet issued

and Means

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**Action Date:**

**Action:**

**Meeting Dates:**

**Prepared By:** Beth Reiley, Committee Administrator

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**WHAT THE MEASURE DOES:**

Authorizes Environmental Quality Commission (Commission) to develop low-interest loan program for on-site septic system repairs, replacements, upgrades or evaluations. Authorizes Commission to adopt rules for administration of loan program by Department of Environmental Quality (Department). Establishes On-site Septic System Loan Fund. Continuously appropriates moneys in fund to Department for purposes of loan program. Directs Department to use moneys in fund to provide loans for repair, replacement, upgrade or evaluation of on-site septic systems and to pay administrative costs. Authorizes Department to contract with other persons to administer or operate all or any part of loan program. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

(Proposed -2 Amendment) Replaces measure. Requires Department of Environmental Quality (DEQ) to award grants for developing and administering low-interest loan program for repair, replacement, upgrade or evaluation of residential or small business on-site septic systems. Appropriates \$250,000 for biennium beginning July 1, 2015 to DEQ to administer program and award grants. Requires recipient of grant funds to enter into agreement that includes certain provisions. Requires funds to be used to connect to sewer and decommission on-site septic system if recipient is located within territory of available sewer and connection is cost-effective option. Requires recipient to provide mechanism for ensuring compliance with locally required operation and maintenance. Establishes preferences for awarding grants. Requires DEQ to submit report to interim committees of the Legislature related to natural resources no later than September 15, 2016. Declares emergency, effective on passage.

**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 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.

Senate Bill 1563 would develop low-interest loan program for on-site septic system repairs, replacements, upgrades or evaluations