



Oregon

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To: House Energy and Environment Committee

From: Karen Tarnow, Senior Policy Analyst

Date: April 24, 2017

Re: DEQ Testimony for Senate Bill 812

DEQ supports Senate Bill 812. This bill makes three helpful changes to a new program established in 2016 through Senate Bill 1563.

Senate Bill 1563 directed the Department of Environmental Quality to award a grant for the purpose of developing and implementing a loan program to provide low-interest loans for the repair or replacement of failing on-site septic systems. The bill authorized a \$250,000 General Fund appropriation for this purpose, with the requirement that at least \$200,000 be awarded through the grant. DEQ entered into a grant agreement with Craft3 in September 2016 to develop and implement the program. As of March 2017, Craft3 entered into 16 loan agreements with home owners in 12 counties, including five low-income households.

Senate Bill 812 clarifies that loans are available for regional evaluations of septic systems and that loans must be used to finance sewer hook-ups for properties where connection to sewer is required by local government. The bill also allows for loans to cover less than 100 percent of the project costs if the loan applicant requests a lesser amount. These changes improve a legislatively authorized program that is benefitting Oregonians throughout the state.

Thank you for your consideration.