

SB 383 STAFF MEASURE SUMMARY

Senate Committee On Environment and Natural Resources

Action Date: 02/06/17

Action: Do pass and refer to Ways and Means by prior reference.

Vote: 5-0-0-0

Yeas: 5 - Baertschiger Jr, Dembrow, Olsen, Prozanski, Roblan

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Appropriates \$1.5 million to Department of Environmental Quality to award grants for purpose of developing and administering loan programs for residential or small business on-site septic system repair, replacement or evaluation. Specifies that \$1.3 million must be spent on grants; remaining funds may be spent on program administration. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Cost of replacing or repairing failing septic systems
- Recent loan history
- Competitive bid process to select third party program administrator
- Private funds contributed to loan program
- Loan program publicity

EFFECT OF AMENDMENT:

No amendment.

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 treatment 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.

In 2016, Senate Bill 1563 directed DEQ to award grants for developing and administering a low-interest loan program for the repair, replacement, upgrade or evaluation of residential or small business on-site septic systems. The Act appropriated \$250,000 to DEQ to administer the program and award grants during the the biennium beginning July 1, 2015.

Senate Bill 383 would appropriate \$1,500,000 to DEQ to continue the program of supporting low-interest low programs for improving residential and business septic systems.