

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 254 - 2

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Expands potential recipients of levee project grants to include any public body.

Government Unit(s) Affected:

Oregon Business Development Department (OBDD)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

The bill removes modifies the eligible recipients of levee project loans and grants to include any public body that owns or is engaged in the construction, inspection, accreditation, certification or repair of levees, flood control embankments or flood control facilities. The total amount of grants that may be awarded in a biennium is limited only to the amount of moneys available in the Levee Project Subaccount. Grants for planning projects are limited to a maximum of \$2 million per applicant per biennium. A grant for a construction or capital improvement project may not exceed an amount equal to 80 percent of the total cost of the project. A grant may not be awarded under this section unless the public body, entity or individual pledges to the project a match having a value equal to 20 percent of the amount of the grant.

Costs to the Oregon Business Development Department (OBDD) associated with the implementation of this existing program are anticipated to be minimal and absorbable within existing budgetary parameters.

The fiscal impact and potential sustainability of the Levee Project Subaccount is indeterminate at this time. Assuming that the Levee Project Subaccount, which is a subaccount of the Special Public Works Fund, is subject to ORS 285B.413, which states that ‘Grants shall be given only when loans are not feasible due to the financial need of the municipality’; the eligible public bodies for these grants could be restricted. Historically, the Levee Project Subaccount has been capitalized through the issuance of lottery revenue bonds. This measure would allow more of the Levee Project Subaccount to be disbursed as grants, reducing the number of loans and subsequent loan principal and interest repayments that increase the amount available for future awards. Additionally, program demand is likely to increase if awards are provided as grants rather than loans. Reduced program income combined with increased demand may have an impact on future funding requests to capitalize the program.