

FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: SB 884 - 1

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

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Measure Description:

Authorizes qualified institutions to receive loans from Water Pollution Control Revolving Fund to finance projects to repair or replace failing on-site septic systems or to replace failing on-site septic systems with connections to available sewer.

Government Unit(s) Affected:

Department of Environmental Quality (DEQ)

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the Senate Committee on Environment and Natural Resources to the Joint Committee on Ways and Means.

The legislation expands the eligibility of the Clean Water State Revolving Fund (CWSRF) loan program, within the Department of Environmental Quality (DEQ), by authorizing qualified institutions to receive loans to finance projects to repair or replace failing on-site septic systems or to replace failing on-site septic systems with connections to available sewer.

Additional analysis is required regarding the potential solvency of the Water Pollution Control Revolving Fund and the Water Pollution Control Administration Fund, given the expanded eligible recipients. Solvency factors will be influenced by assumptions such as the number of additional loans, loan amounts, interest rates, and terms. The Legislative Fiscal Office notes that existing statutory language permits the state to withhold amounts otherwise due to qualified public agencies in the event of default on payments for the loan program; if loan recipients are expanded to include qualified nonprofit institutions the legislation could benefit from statutory language authorizing the state to become an eligible lien holder in the event of default by a nonprofit institution.

The fiscal impact to DEQ, associated with rulemaking and the additional workload related to expanded potential loan recipients, is anticipated to be minimal and absorbable within existing budgetary parameters.

Further Analysis Required

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Ways and Means.