

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2518 - A2

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
Reviewed by: Matt Stayner
Date: June 15, 2021**Measure Description:**

Establishes program to make forgivable loans to reimburse private owner or operator of brownfield for eligible costs incurred in completion of removal or remedial action at brownfield.

Government Unit(s) Affected:

Oregon Business Development Department (OBDD)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact - Oregon Business Development Department (OBDD):

	2021-23 Biennium	2023-25 Biennium
General Fund		
Personal Services	182,600	
Services and Supplies	19,750	
Special Payments	4,797,650	
Total Funds	\$5,000,000	\$0
Positions	2	
FTE	0.92	

Analysis:

HB 2518 provides a onetime appropriation of \$5 million General Fund to the Oregon Business Development Department (OBDD) to establish and administer a program to provide forgivable loans to reimburse private owners or operators for eligible costs incurred in the completion of removal or remedial actions at brownfields. The measure establishes the Oregon Brownfield Properties Revitalization Fund and continuously appropriates moneys in the Fund to OBDD for the purposes of this program. The measure authorizes OBDD to seek legal remedies to secure repayment of forgivable loans owed to the Fund. Moneys repaid to OBDD are to be deposited in the Oregon Brownfield Properties Revitalization Fund. The measure requires OBDD to submit, by January 1, 2023, a report to an interim committee with details regarding the recipients of forgivable loans under this program and any third parties OBDD contracted to complete any removal and remedial actions. The measure takes effect on the 91st day after the date on which the 2021 legislative session adjourns sine die.

The -A2 amendment specifies the rate for repayment of loans that must be repaid. The -A2 amendment does not change the original fiscal impact determination.

This fiscal analysis assumes that the appropriation language “for the purpose of carrying out the provisions of...this 2021 Act” is inclusive of administrative costs. OBDD estimates the administrative and operational costs of this program to be \$202,350 for the 2021-23 biennium. This amount reflects \$182,600 in personal services and \$19,750 in related services and supplies for two part-time staff (One Operations and Policy Analyst 3 and one Procurement and Contracts Specialist 2) to administer the program. Positions are assumed to be limited duration because although the measure creates a new ongoing program and establishes a new Fund that is continuously

appropriated to OBDD, the measure provides a onetime appropriation for the 2021-23 biennium. It is unknown whether or not loan repayments would be sufficient to cover the administrative costs of the program in future biennia. The Legislative Fiscal Office (LFO) assumes that funding for this program for 2023-25 and future biennium will be addressed in conjunction with the biennial budgeting process for the agency.