

SB 622 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/25

WHAT THE MEASURE DOES:

Authorizes State Treasurer to issue \$10 million in lottery bonds for deposit in Levee Project Grant Fund. Mandates at least 60 percent of awarded grant funds to be used for projects in rural or distressed areas. Expands definition of levee project to include levee construction and capital improvements, flood control embankments, and flood control facilities. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Infrastructure Finance Authority, established within the Oregon Business Development Department (OBDD), administers the Levee Project Grant Fund. The fund provides grants to eligible entities for levee projects; eligible entities include drainage districts, drainage or flood control corporations, and for-profit or nonprofit organizations and individuals working on levees. Applicants must match at least 20 percent of the award amount with their own funds to qualify for grants. Fund awards are limited to \$2 million per applicant in a single biennium. Fund dollars for construction or capital improvement projects are limited to 80 percent of the total project cost.

In 2019, the Legislative Assembly allocated \$15 million in lottery bond sales to the fund for the 2019-2021 biennium. However, due to a significant decline in lottery revenues during the biennium, no lottery revenue bonds and funding were available for approved projects and programs. Previous levee project funding flowed through a subaccount in the Special Public Works Fund at OBDD, though primarily as loans rather than grants.

Senate Bill 622 authorizes the State Treasurer to issue \$10 million in lottery bonds for deposit in the Levee Project Grant Fund. The measure requires at least 60 percent of awarded grant funds to be used for projects in the following areas: areas outside the Portland Metropolitan Area Regional Urban Growth Boundary; areas outside the urban growth boundaries of cities with 30,000 or more residents; or counties, cities, or other areas that OBDD classifies as distressed based on economic indicators such as unemployment. In addition, Senate Bill 622 expands the definition of levee project to include levee construction and capital improvements, flood control embankments, and flood control facilities. The measure declares an emergency, effective on passage.