

House Bill 3090

Sponsored by COMMITTEE ON WATER (at the request of Representative Ken Helm)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Appropriates moneys to Department of Environmental Quality to award grant for on-site septic system low-interest loan programs and to cover related administrative costs.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to on-site septic system financing; and declaring an emergency.

3 Whereas in 2016 the Legislative Assembly enacted ORS 454.779, which directs the Department
4 of Environmental Quality to award grants for developing and administering loan programs to pro-
5 vide low-interest loans for the repair, replacement, upgrade or evaluation of residential or small
6 business on-site septic systems; and

7 Whereas since 2016, the Clean Water Loan program funded by a grant from the department
8 under ORS 454.779 has served over 186 families, 104 communities and 35 counties, financing projects
9 that are now treating an estimated total of 24 million gallons of wastewater annually; and

10 Whereas most commercial banks have stopped or greatly reduced issuing second mortgage loans;
11 and

12 Whereas nearly one out of every three families served by the Clean Water Loan program has
13 a family income that falls below 80 percent of the county's area median income, and most borrowers
14 use the program because they struggle to obtain a conventional loan; and

15 Whereas demand remains high for low-interest loans for the repair, replacement, upgrade or
16 evaluation of residential or small business on-site septic systems; and

17 Whereas the COVID-19 pandemic has increased the need for septic repairs; and

18 Whereas the program helps people and families in emergency situations, thereby promoting
19 community resilience, housing stabilization and water quality generally, including during extreme
20 events of fire, flood, pandemic or other natural or human-made disasters; and

21 Whereas in July 2020 the program was temporarily suspended for lack of available loan funds;
22 and

23 Whereas the department estimates that over 45,000 septic systems fail each year; now, therefore,
24 **Be It Enacted by the People of the State of Oregon:**

25 **SECTION 1. In addition to and not in lieu of any other appropriation, there is appropri-**
26 **ated to the Department of Environmental Quality, for the biennium beginning July 1, 2021,**
27 **out of the General Fund, the amount of \$2,000,000 for the purposes of:**

28 (1) **Not later than September 1, 2021, awarding a grant under ORS 454.779 in an amount**
29 **of not less than \$1,950,000; and**

30 (2) **Covering administrative costs necessary to implement ORS 454.779.**

31 **SECTION 2. This 2021 Act being necessary for the immediate preservation of the public**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect**
2 **on its passage.**

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