

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 842**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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Date: 02/13/2023

**Measure Description:**

Changes expenditure limitation for grant to Port of Port Orford for seafood hub redevelopment project to biennium beginning July 1, 2023.

**Government Unit(s) Affected:**

Oregon Business Development Department

**Summary of Fiscal Impact:**

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

**Summary of Expenditure Impact:**

	2023-25 Biennium	2025-27 Biennium
<b>Oregon Business Development Department</b>		
<b>Lottery Funds</b>		
Special Payments	\$1,600,000	
<b>Total Lottery Funds</b>	\$1,600,000	\$0

**Analysis:** The measure would amend Section 211, Chapter 669, Oregon Laws 2021 to change the expenditure limitation for a seafood hub redevelopment project at the Port of Port Orford to start the availability of the grant to July 1, 2023. The amendment of a 2021 appropriation bill to establish a Lottery Funds expenditure limitation in the 2023-25 biennium, thereby retroactively skipping a biennium, is an unusual event which may require further analysis. Although the bill establishes an expenditure limitation in the 2023-25 biennium, additional legislative action would be required to allocate the Lottery Funds to the agency for this purpose.

Oregon Business Development Department’s (OBDD) 2021-23 budget has \$1.6 million in Lottery Funds designated for this project. The project will create a seawater system that would allow the Port to provide sustainable operational support to the fishing fleet, facilities for on-site marine research, and ocean-related recreational opportunities. The total project cost is \$7.7 million and consists of \$5.7 million provided through a grant from the US Economic Development Administration (EDA), \$800,000 in local funding, and \$1.6 million in Lottery Funds. The EDA grant has not been awarded, and it is unknown if the \$1.6 million from the 2021-23 budget will be committed by the end of the 2021-23 biennium.

Since the funding for the 2021-23 biennium was provided for the project as a whole, the obligating of the Lottery Funds that are in the agency’s current biennium budget are contingent upon the EDA grant award. If the grant award does not occur before the end of the 2021-23 biennium, the current expenditure limitation for the Lottery Funds will expire and the unobligated Lottery Funds will revert.

This measure has a subsequent referral to the Joint Committee on Ways and Means.