

SB 630 A STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

Action Date: 03/21/23

Action: Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

Vote: 3-2-0-0

Yeas: 3 - Findley, Lieber, Sollman

Nays: 2 - Golden, Hayden

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/16, 3/21

WHAT THE MEASURE DOES:

Authorizes State Treasurer to issue lottery bonds at the request of Oregon Department of Administrative Services, after consultation with Oregon Business Development Department (OBDD), in amount that produces \$15 million in net proceeds and additional amount to pay bonding-related costs. Requires proceeds of issued lottery bonds be transferred to OBDD to develop pilot program to award grants to developers to fund development of former landfill sites. Requires site of proposed development be within an urban growth boundary and approved by local government for mixed use development. Requires proposed development include at least 500 housing units and the majority of the proposed development to be designated as a brownfield site and have a federal hazard waste site identification number, or be included in the Comprehensive Environmental Response, Compensation, and Liability Information System database. Establishes application and agency review requirements. Stipulates that work on proposed development begin within one year from entering into grant agreement. Requires grant agreement to require the recipient to indemnify the State of Oregon and its political subdivisions and agents for any claims arising from the activities of the recipient for which the grant was awarded. Requires OBDD, working with grant recipient, to report to the legislative committee related to economic development no later than one year from the completion of clean up and mitigation efforts. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Only one known project would be eligible for grant award under program
- Department of Environmental Quality process to approve development

EFFECT OF AMENDMENT:

Clarifies direction to Oregon Business Development Department (OBDD) to develop a pilot program to award grants to developers to fund the development of former landfill sites. Stipulates that OBDD and state are under no obligation to continue the pilot program after the net proceeds of the lottery bonds have been expended or obligated to pay grant award. Requires grant agreement to require the recipient to indemnify the State of Oregon and its political subdivisions and agents for any claims arising from the activities of the recipient for which the grant was awarded.

BACKGROUND:

A landfill is defined as a facility for the disposal of solid waste involving the placement of solid waste on or beneath the land surface (ORS 459.005(14)). Such concentrations of waste may pose long-term risks to health, safety, and the environment. According to the Department of Environmental Quality (DEQ), a "brownfield" is a vacant or underused property where expansion or redevelopment is complicated by the actual, potential, or perceived presence of environmental contamination. For entities that are interested in purchasing a brownfield property, DEQ offers the option of negotiating a Prospective Purchaser Agreement, or PPA. A PPA is a legally

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binding agreement between DEQ and prospective purchaser or lessee of real property in which the purchaser or lessee receives a liability release from DEQ, and often times third parties, for environmental cleanup of the property. In return for this release, the PPA must provide the state with a “substantial public benefit.”

According to the Department of Land Conservation and Development, Oregon needs to develop more than 550,000 new housing units across income levels to accommodate 20 years of population growth and to account for current underproduction and the lack of units for people experiencing homelessness. The department reported in its February 2021 Regional Housing Needs Analysis that underproduction may be attributed to high land and construction costs, inadequate infrastructure, and limited local government capacity, among other factors.

Senate Bill 630 A would authorize the issuance of \$15 million of lottery bonds and transfer the net proceeds to Oregon Business Development Department (OBDD). The Act would direct OBDD to use proceeds to award grants to developers for development of mixed-use development within an urban growth boundary that includes at least 500 housing units on former landfill sites.