

Senate Bill 1585

Sponsored by Senators MANNING JR, ANDERSON, SOLLMAN, PROZANSKI, Representative DIEHL; Senators BROADMAN, GOLDEN, GORSEK, HAYDEN, NASH, SMITH DB, THATCHER, WEBER, Representatives BOICE, EVANS, FRAGALA, GAMBA, HUDSON, MCINTIRE, MCLAIN, RIEKE SMITH, WISE (Presession filed.)

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would set a maximum percent required for matching grants made by the state to small cities for capital projects. (Flesch Readability Score: 64.6).

Sets maximum matching fund requirements for state grants to small incorporated cities for capital construction and municipal infrastructure.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to matching grants for cities; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) Matching grants for capital construction and municipal infrastructure made by the State of Oregon to incorporated cities with a population not greater than 20,000 must be offered on the following terms, based on population according to the most recent federal decennial census:

(a) Incorporated cities with a population not greater than 5,000 may be required to provide matching funds of not greater than:

(A) Three percent of the amount of a grant award of \$100,000 or less.

(B) Five percent of the amount of a grant award greater than \$100,000.

(b) Incorporated cities with a population greater than 5,000 but not greater than 7,500 may be required to provide matching funds of not greater than seven percent of the amount of the grant award.

(c) Incorporated cities with a population greater than 7,500 but not greater than 10,000 may be required to provide matching funds of not greater than nine percent of the amount of the grant award.

(d) Incorporated cities with a population greater than 10,000 but not greater than 20,000 may be required to provide matching funds of not greater than 12 percent of the amount of the grant award.

(2) Incorporated cities with a population not greater than 20,000 may use grant moneys described in subsection (1) of this section for all phases of a funded project in addition to construction, including, but not limited to, engineering, planning and support.

SECTION 2. Section 1 of this 2026 Act applies to matching grants awarded to incorporated cities on or after the effective date of this 2026 Act.

SECTION 3. This 2026 Act takes effect on the 91st day after the date on which the 2026 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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.

