

Requested by Senator MANNING JR

**PROPOSED AMENDMENTS TO
SENATE BILL 1585**

1 On page 1 of the printed bill, line 2, after “cities;” insert “creating new
2 provisions; amending ORS 184.742, 285B.420, 285B.421, 367.082, 367.093,
3 541.561 and 541.666;”.

4 Delete lines 4 through 27 and delete page 2 and insert:

5 **“SECTION 1. (1) Matching grants for capital construction and mu-
6 nicipal infrastructure funded by the State of Oregon, not including
7 federal funds, to incorporated cities with a population not greater than
8 20,000 must be offered on the following terms, based on population
9 according to the most recent federal decennial census:**

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

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

14 **“(B) Five percent of the amount of a grant award greater than
15 \$100,000.**

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

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

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

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

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

11 “SECTION 3. ORS 184.742 is amended to read:

12 “184.742. (1) The Oregon Transportation Commission may provide match-
13 ing grants under this section for safety improvement projects near schools.

14 “(2) To qualify for a matching grant an applicant shall:

15 “(a) Demonstrate that a project fits within the applicable plan developed
16 pursuant to ORS 195.115;

17 “(b) Provide a cash match [*of at least 40 percent of the project’s costs*] **in**
18 **an amount determined under subsection (3) of this section;** and

19 “(c) Provide any other information required by the commission.

20 “(3)(a) **Except as provided in paragraphs (b) and (c) of this sub-**
21 **section, an applicant shall provide a cash match of at least 40 percent**
22 **of the project’s total costs.**

23 “(b) **Incorporated cities with a population not greater than 20,000**
24 **shall provide cash matches on the following terms, based on popu-**
25 **lation according to the most recent federal decennial census:**

26 “(A) **An incorporated city with a population not greater than 5,000**
27 **may be required to provide a cash match of not greater than:**

28 “(i) **Three percent of project costs of \$100,000 or less.**

29 “(ii) **Five percent of project costs greater than \$100,000.**

30 “(B) **An incorporated city with a population greater than 5,000 but**

1 **not greater than 7,500 may be required to provide a cash match of not**
2 **greater than seven percent of the project's costs.**

3 **“(C) An incorporated city with a population greater than 7,500 but**
4 **not greater than 10,000 may be required to provide a cash match of**
5 **not greater than nine percent of the project's costs.**

6 **“(D) An incorporated city with a population greater than 10,000 but**
7 **not greater than 20,000 may be required to provide a cash match of**
8 **not greater than 12 percent of the project's costs.**

9 **“(c) [Notwithstanding subsection (2) of this section, by rule,] The commis-**
10 **sion may reduce the amount [the] an applicant must provide for a cash**
11 **match.**

12 **“(d) Notwithstanding any other provision of law restricting the use**
13 **of the grant award moneys, incorporated cities with a population not**
14 **greater than 20,000 may use grant moneys awarded for capital con-**
15 **struction or municipal infrastructure for all phases of a funded project**
16 **in addition to construction, including, but not limited to, engineering,**
17 **planning and support.**

18 **“(4) The commission shall prioritize the expenditure of funds as author-**
19 **ized under this section for projects that are located within a two-mile radius**
20 **of a school that serves students in prekindergarten, kindergarten or grades**
21 **1 through 12, or any combination of those grade levels.**

22 **“(5) The matching grants shall be used to reduce barriers and hazards to**
23 **children walking or bicycling to and from school, including but not limited**
24 **to safety improvement projects that:**

25 **“(a) Improve sidewalks;**

26 **“(b) Reduce vehicle speeds;**

27 **“(c) Improve pedestrian and bicycle crossings; or**

28 **“(d) Create or improve bicycle lanes.**

29 **“(6) The commission may adopt rules specifying the application process**
30 **and the selection criteria that will be used in awarding matching grants.**

1 **“SECTION 4.** ORS 367.082 is amended to read:

2 “367.082. (1) Except as provided in subsection (2) of this section, the De-
3 partment of Transportation may provide, from moneys in the Connect Oregon
4 Fund established under ORS 367.080, grants for transportation projects to
5 public bodies, as defined in ORS 174.109, and to private entities.

6 “(2) Grants may not be made from the Connect Oregon Fund for trans-
7 portation projects that could constitutionally be funded by revenues de-
8 scribed in Article IX, section 3a, of the Oregon Constitution.

9 “(3) The Department of Transportation shall adopt rules specifying the
10 process by which a public body or private entity may apply for a grant under
11 this section and prescribing the terms and conditions of grants.

12 **“(4) Except as provided in subsection (5) of this section,** an applicant
13 receiving a grant must provide the following amounts:

14 “(a) For public bodies and private entities, other than Class I railroads,
15 30 percent of the moneys required for the transportation project.

16 “(b) For Class I railroads, 50 percent of the moneys required for the
17 transportation project.

18 **“(5)(a) Match amounts for grants for transportation projects**
19 **awarded to incorporated cities with a population not greater than**
20 **20,000 shall be offered as follows, based on population according to the**
21 **most recent federal decennial census:**

22 **“(A) Incorporated cities with a population not greater than 5,000**
23 **may be required to provide match amounts of not greater than:**

24 **“(i) Three percent of the moneys required for a transportation**
25 **project having a project cost of \$100,000 or less.**

26 **“(ii) Five percent of the moneys required for a transportation**
27 **project having a project cost greater than \$100,000.**

28 **“(B) Incorporated cities with a population greater than 5,000 but not**
29 **greater than 7,500 may be required to provide match amounts not**
30 **greater than seven percent of the moneys required for the transpor-**

1 **tation project.**

2 **“(C) Incorporated cities with a population greater than 7,500 but not**
3 **greater than 10,000 may be required to provide match amounts not**
4 **greater than nine percent of the moneys required for the transporta-**
5 **tion project.**

6 **“(D) Incorporated cities with a population greater than 10,000 but**
7 **not greater than 20,000 may be required to provide match amounts not**
8 **greater than 12 percent of the moneys required for the transportation**
9 **project.**

10 **“(b) Notwithstanding any other provision of law restricting the use**
11 **of the grant award moneys, incorporated cities with a population not**
12 **greater than 20,000 may use grant moneys awarded for capital con-**
13 **struction or municipal infrastructure for all phases of a funded project**
14 **in addition to construction, including, but not limited to, engineering,**
15 **planning and support.**

16 **“SECTION 5.** ORS 367.093 is amended to read:

17 **“367.093. (1) The Department of Transportation shall establish the Multi-**
18 **modal Active Transportation Program. The department may provide, from**
19 **moneys in the Multimodal Active Transportation Fund established under**
20 **ORS 367.091, grants for transportation projects to public bodies and to pri-**
21 **vate entities.**

22 **“(2) The department shall adopt rules specifying the process by which a**
23 **public body or private entity may apply for a grant under this section and**
24 **prescribing the terms and conditions of grants.**

25 **“(3) Except as provided in subsection (4) of this section, an applicant**
26 **receiving a grant must provide 30 percent of the moneys required for the**
27 **transportation project.**

28 **“(4)(a) Match amounts for grants for transportation projects**
29 **awarded to incorporated cities with a population not greater than**
30 **20,000 shall be offered as follows, based on population according to the**

1 **most recent federal decennial census:**

2 **“(A) Incorporated cities with a population not greater than 5,000**
3 **may be required to provide match amounts of not greater than:**

4 **“(i) Three percent of the moneys required for a transportation**
5 **project having a project cost of \$100,000 or less.**

6 **“(ii) Five percent of the moneys required for a transportation**
7 **project having a project cost greater than \$100,000.**

8 **“(B) Incorporated cities with a population greater than 5,000 but not**
9 **greater than 7,500 may be required to provide match amounts not**
10 **greater than seven percent of the moneys required for the transpor-**
11 **tation project.**

12 **“(C) Incorporated cities with a population greater than 7,500 but not**
13 **greater than 10,000 may be required to provide match amounts not**
14 **greater than nine percent of the moneys required for the transporta-**
15 **tion project.**

16 **“(D) Incorporated cities with a population greater than 10,000 but**
17 **not greater than 20,000 may be required to provide match amounts not**
18 **greater than 12 percent of the moneys required for the transportation**
19 **project.**

20 **“(b) Notwithstanding any other provision of law restricting the use**
21 **of the grant award moneys, incorporated cities with a population not**
22 **greater than 20,000 may use grant moneys awarded for capital con-**
23 **struction or municipal infrastructure for all phases of a funded project**
24 **in addition to construction, including, but not limited to, engineering,**
25 **planning and support.**

26 **“[(3)] (5) The Oregon Transportation Commission shall select transporta-**
27 **tion projects to be funded with moneys in the Multimodal Active Transpor-**
28 **tation Fund. Before selecting bicycle and pedestrian transportation projects,**
29 **the commission shall solicit recommendations from the advisory committee**
30 **created by ORS 366.112.**

1 **“SECTION 6.** ORS 285B.420 is amended to read:

2 “285B.420. (1)(a) The Oregon Infrastructure Finance Authority may pro-
3 vide financial assistance in the form of loans or grants for a levee project
4 to:

5 “[a] (A) Municipalities;

6 “[b] (B) Corporations or companies for drainage or flood control organ-
7 ized under ORS chapter 554; and

8 “[c] (C) For-profit or nonprofit entities and individuals engaged in the
9 ownership, construction, inspection, accreditation, certification or repair of
10 levees.

11 **“(b) Grants awarded under this section shall be paid from available**
12 **moneys in the Levee Project Grant Fund established under ORS**
13 **285B.421.**

14 “(2) To qualify for financial assistance under this section, the munici-
15 pality, corporation, company, entity or individual must demonstrate, and the
16 authority must find, that the levee project substantially contributes to the
17 improvement, expansion or repair of the state’s or a municipality’s
18 infrastructure system and is essential for the use or development of farm,
19 industrial or commercial land in Oregon.

20 **“(3) Grant awards for planning projects are limited to a maximum**
21 **of \$2 million per applicant per biennium.**

22 **“(4) Except as provided in subsection (5) of this section, a grant**
23 **may not be awarded unless the applicant pledges matching funds to**
24 **the project of at least 20 percent of the amount of the grant award.**

25 **“(5)(a) For projects to protect cities with a population not greater**
26 **than 5,000, applicants may be required to provide matching funds of**
27 **not greater than:**

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

30 **“(B) Five percent of the amount of a grant award greater than**

1 **\$100,000.**

2 **“(b) For projects to protect cities with a population greater than**
3 **5,000 but not greater than 7,500, applicants may be required to provide**
4 **matching funds of not greater than seven percent of the amount of the**
5 **grant award.**

6 **“(c) For projects to protect cities with a population greater than**
7 **7,500 but not greater than 10,000, applicants may be required to provide**
8 **matching funds of not greater than nine percent of the amount of the**
9 **grant award.**

10 **“(d) For projects to protect cities with a population greater than**
11 **10,000 but not greater than 20,000, applicants may be required to pro-**
12 **vide matching funds of not greater than 12 percent of the amount of**
13 **the grant award.**

14 **“(e) Population shall be determined according to the most recent**
15 **federal decennial census.**

16 **“(f) Notwithstanding any other provision of law restricting the use**
17 **of the grant award moneys, municipalities with a population not**
18 **greater than 20,000 may use grant moneys awarded for capital con-**
19 **struction or municipal infrastructure for all phases of a funded project**
20 **in addition to construction, including, but not limited to, engineering,**
21 **planning and support.**

22 **“(6) At least 60 percent of the dollar value of grants awarded under**
23 **this section for any biennium shall be used to provide assistance with**
24 **levee projects to rural or distressed areas as those terms are defined**
25 **in ORS 285A.010.**

26 **“[(3)] (7) Levee projects that receive financial assistance under this sec-**
27 **tion are subject to the provisions and requirements of ORS 285B.410 to**
28 **285B.482, if applicable.**

29 **“SECTION 7. ORS 285B.421 is amended to read:**

30 **“285B.421. (1) The Levee Project Grant Fund is established in the State**

1 Treasury, separate and distinct from the General Fund. Interest earned by
2 the Levee Project Grant Fund must be credited to the fund. The Levee
3 Project Grant Fund consists of moneys deposited in the fund under section
4 33, chapter 671, Oregon Laws 2019, and may include moneys appropriated,
5 allocated, deposited or transferred to the fund by the Legislative Assembly
6 or otherwise and interest earned on moneys in the fund.

7 “(2) Moneys in the fund are continuously appropriated to the Oregon
8 Business Development Department for the Oregon Infrastructure Finance
9 Authority to provide grants under ORS 285B.420 for levee projects [*as de-*
10 *fin**e**d in ORS 285B.410*].

11 “[*(3) Grants from the fund for planning projects are limited to a maximum*
12 *of \$2 million per applicant per biennium.*.]

13 “[*(4) Grants from the fund for construction or capital improvement projects*
14 *may not exceed an amount equal to 80 percent of the total cost of the project.*.]

15 “[*(5) A grant may not be awarded from the fund unless the applicant*
16 *pledges matching funds to the project of at least 20 percent of the amount of*
17 *the grant.*.]

18 “[*(6) At least 60 percent of the dollar value of grants awarded from the*
19 *fund in any biennium shall be used to provide assistance with levee projects*
20 *to rural or distressed areas as those terms are defined in ORS 285A.010.*.]

21 **“SECTION 8. ORS 285B.421 is added to and made a part of ORS**
22 **285B.410 to 285B.482.**

23 **“SECTION 9. (1) Match requirements for grants for projects de-**
24 **scribed in ORS 390.135 (2)(c) to incorporated cities with a population**
25 **not greater than 20,000 shall be offered on the following terms, based**
26 **on population according to the most recent federal decennial census:**

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

29 **“(A) Three percent of a total project cost of \$100,000 or less.**

30 **“(B) Five percent of a total project cost greater than \$100,000.**

1 **“(b) Incorporated cities with a population greater than 5,000 but not**
2 **greater than 7,500 may be required to provide matching funds of not**
3 **greater than seven percent of the total project cost.**

4 **“(c) Incorporated cities with a population greater than 7,500 but not**
5 **greater than 10,000 may be required to provide matching funds of not**
6 **greater than nine percent of the total project cost.**

7 **“(d) Incorporated cities with a population greater than 10,000 but**
8 **not greater than 20,000 may be required to provide matching funds of**
9 **not greater than 12 percent of the total project cost.**

10 **“(2) Notwithstanding any other provision of law restricting the use**
11 **of the grant award moneys, incorporated cities with a population not**
12 **greater than 20,000 may use grant moneys awarded for capital con-**
13 **struction or municipal infrastructure for all phases of a funded project**
14 **in addition to construction, including, but not limited to, engineering,**
15 **planning and support.**

16 **“SECTION 10.** ORS 541.561 is amended to read:

17 **“541.561. (1) The Water Resources Department shall establish a grant**
18 **program to pay the qualifying costs of studies performed to evaluate the**
19 **feasibility of projects related to:**

20 **“(a) Water conservation.**

21 **“(b) Water reuse.**

22 **“(c) Aquifer recharge.**

23 **“(d) Aquifer storage and recovery.**

24 **“(e) Streamflow protection or restoration.**

25 **“(f) Water storage.**

26 **“(g) Other activities identified by rule by the Water Resources Commis-**
27 **sion.**

28 **“(2) A grant under this section may be made to:**

29 **“(a) A person, as defined in ORS 536.007.**

30 **“(b) A public body, as defined in ORS 174.109.**

1 “(c) A federally recognized Indian tribe in Oregon that has members re-
2 siding on a reservation or tribal trust lands in Oregon.

3 “(d) A nonprofit organization.

4 “(3) In lieu of grants, the department may pay the cost of providing direct
5 services, including but not limited to technical services, for a study that is
6 eligible for a grant under this section.

7 “(4) **Except as provided in subsection (5) of this section,** a grant may
8 be provided only if the amount of the grant is matched by an in-kind or cash
9 cost match of not less than 25 percent of the grant amount. The commission
10 may establish a maximum per project amount of grant funding that a project
11 may receive or may increase the cost match for upcoming project cycles
12 based on the availability of funds.

13 “(5) **Matching funds for grants or payments for direct services un-**
14 **der this section awarded to incorporated cities with a population not**
15 **greater than 20,000 shall be offered as follows, based on population**
16 **according to the most recent federal decennial census:**

17 “(a) **Incorporated cities with a population not greater than 5,000**
18 **may be required to provide matching funds in an amount not greater**
19 **than:**

20 “(A) **Three percent of a grant or the cost of direct services awarded**
21 **in an amount of \$100,000 or less.**

22 “(B) **Five percent of a grant or the cost of direct services awarded**
23 **in an amount greater than \$100,000.**

24 “(b) **Incorporated cities with a population greater than 5,000 but not**
25 **greater than 7,500 may be required to provide matching funds in an**
26 **amount not greater than seven percent of the amount of the grant or**
27 **the cost of direct services awarded.**

28 “(c) **Incorporated cities with a population greater than 7,500 but not**
29 **greater than 10,000 may be required to provide matching funds in an**
30 **amount not greater than nine percent of the amount of the grant or**

1 **the cost of direct services awarded.**

2 **“(d) Incorporated cities with a population greater than 10,000 but**
3 **not greater than 20,000 may be required to provide matching funds in**
4 **an amount not greater than 12 percent of the amount of the grant or**
5 **the cost of direct services awarded.**

6 “[5] (6) Grants and the cost of direct services provided under this sec-
7 tion must be paid from moneys available in the Water Project Feasibility
8 Fund.

9 “[6] (7) In evaluating above ground storage projects for awards of grants
10 or payments for direct services under this section, the department shall give
11 priority to projects that include provisions for using stored water to augment
12 in-stream flows to conserve, maintain and enhance aquatic life, fish life or
13 other ecological values.

14 **“SECTION 11.** ORS 541.666 is amended to read:

15 “541.666. (1) Applications for a loan or grant from the Water Supply De-
16 velopment Account must:

17 “(a) Be in a form prescribed by the Water Resources Department.

18 “(b) Include any information required by the department.

19 “(c) Be filed with the department.

20 “(2) The department may require an application to include the following:

21 “(a) A description of the need, purpose and nature of the project, includ-
22 ing what the applicant intends to complete and how the applicant intends
23 to proceed.

24 “(b) Sufficient information to allow evaluation of the application based
25 upon the public benefit scoring and ranking of the project.

26 “(c) Current contact information for the principal contact, fiscal officer
27 and involved landowners.

28 “(d) For applications involving physical changes or monitoring on private
29 land, evidence that landowners are aware of and agree to the proposal and
30 are aware that monitoring information is a public record.

1 “(e) The location of the proposed project, using public land survey refer-
2 ence points, latitude and longitude, county, watershed, river and stream mile,
3 if appropriate.

4 “(f) An itemized budget for the project, including fiscal and administrative
5 costs.

6 “(g) A description of funds, services or materials available to the project.

7 “(h) A project schedule, including beginning and completion dates.

8 “(i) Any conditions that may affect the completion of the project.

9 “(j) A completed feasibility analysis if appropriate.

10 “(k) Suggestions for interim and long-term project performance
11 benchmarks.

12 “(L) **Except as provided in subsection (3) of this section**, if the ap-
13 plication is for a grant, demonstrated in-kind and cash cost match of not less
14 than 25 percent of the amount of the grant sought from the account.

15 “(m) If the application is for a loan, evidence demonstrating ability to
16 repay the loan and provide collateral.

17 “(n) Letters of support for the proposed project.

18 “(o) If required by the department, a description of consultations with
19 affected Indian tribes regarding the project.

20 “(p) Any other information required by the department.

21 “**(3)(a) A cost match for grants sought by incorporated cities with**
22 **a population not greater than 20,000 shall be required as follows, based**
23 **on population according to the most recent federal decennial census:**

24 “**(A) Incorporated cities with a population not greater than 5,000**
25 **may be required to provide a cost match in an amount not greater**
26 **than:**

27 “**(i) Three percent of the amount of a grant sought for \$100,000 or**
28 **less.**

29 “**(ii) Five percent of the amount of a grant sought for more than**
30 **\$100,000.**

1 **“(B) Incorporated cities with a population greater than 5,000 but not**
2 **greater than 7,500 may be required to provide a cost match in an**
3 **amount not greater than seven percent of the amount of the grant**
4 **sought.**

5 **“(C) Incorporated cities with a population greater than 7,500 but not**
6 **greater than 10,000 may be required to provide a cost match in an**
7 **amount not greater than nine percent of the amount of the grant**
8 **sought.**

9 **“(D) Incorporated cities with a population greater than 10,000 but**
10 **not greater than 20,000 may be required to provide a cost match in an**
11 **amount not greater than 12 percent of the amount of the grant sought.**

12 **“(b) Notwithstanding any other provision of law restricting the use**
13 **of the grant award moneys, incorporated cities with a population not**
14 **greater than 20,000 may use grant moneys awarded for capital con-**
15 **struction or municipal infrastructure for all phases of a funded project**
16 **in addition to construction, including, but not limited to, engineering,**
17 **planning and support.**

18 **“SECTION 12. This 2026 Act takes effect on the 91st day after the**
19 **date on which the 2026 regular session of the Eighty-third Legislative**
20 **Assembly adjourns sine die.”.**

21
