2007 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 338STATUS: OriginalSUBJECT: Air Quality provisions for woodstove emissions and creates grants and loans programGOVERNMENT UNIT AFFECTED: Department of Environmental QualityPREPARED BY: Dawn FarrREVIEWED BY: Paul SiebertDATE: April 5, 2007

EXPENDITURES:		<u>2007-2009</u>		<u>2009-2011</u>
	¢	200,000	¢	200.000
Grants and Loans – Other Funds	\$	300,000	\$	300,000
Personal Services – General Fund	\$	73,935	\$	73,935
Services and Supplies – General Fund	\$	27,659	\$	27,659
Total General Fund Expenditures	\$	101,594	\$	101,594
		<u>2007-2009</u>		<u>2009-2011</u>
REVENUES:				
Civil Penalty Fees – General Fund	\$	(300,000)	\$	(300,000)
Civil Penalty Fees – Other Funds	\$	300,000	\$	300,000
POSITIONS / FTE:				
Natural Resource Specialist 3		1/0.5		1/0.5

EFFECTIVE DATE: January 1, 2008.

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill expands air quality provisions from woodstove emissions to more broadly defined solid fuel burning devices; modifies related provisions; establishes a program to provide grants, loans or other subsidies for the replacement or removal of solid fuel burning devices; allows Department of Environmental Quality (DEQ) to make agreements with local government or regional authority to implement the grants program; and, directs that penalties recovered by DEQ be paid into the Residential Solid Fuel Heating Air Quality Improvement Fund instead of to the General Fund.

The bill would allow for penalties collected to be paid to a fund that continuously appropriates money to DEQ, instead of to the General Fund. DEQ indicates that over the past three years, Asbestos and Open Burning penalty collection has averaged approximately \$150,000 per year. Using this estimate, approximately \$300,000 per biennium of penalty revenues would be transferred from the General Fund and distributed to DEQ as Other Funds.

DEQ plans to use penalty Other Fund revenue to establish a grants and loans program; hence, expenditures for grants and loans for the replacement or removal of solid fuel burning devices are estimated to be equal to Other Fund fee revenue.

DEQ estimates that they will need a half-time position, Natural Resource Specialist 3, to begin immediately after the bill passes to write rules and implement the legislation so that grants could be made by April 2008. Related Personal Services and Services and Supplies costs are expected to be \$101,594 per biennium.

This bill currently does not have a subsequent referral the Joint Committee on Ways and Means. The Legislative Fiscal office recommends that this bill be referred to Ways and Means because the anticipated General Fund impact associated with the bill.