MEASURE NUMBER:SB 105STATUS: A EngrossedSUBJECT:Penalties for environmental lawsGOVERNMENT UNIT AFFECTED:Department of Environmental QualityPREPARED BY:Dawn FarrREVIEWED BY:Paul SiebertDATE:April 1, 2009

<u>2009-2011</u>

2011-2013

EXPENDITURES:

See Comments.

REVENUES: See Comments.

EFFECTIVE DATE: January 1, 2010.

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 increases the statutory maximum penalty cap for various violations of environmental laws.

The Department of Environmental Quality (DEQ) assesses penalties according to a formula in its rules. Most of DEQ's civil penalty revenues go to the General Fund. DEQ indicates that during the 2006 and 2007 calendar years about \$70,000 in penalty revenues were not collectable because of the statutory maximum penalty caps. Assuming a similar scenario for the 2009-11 biennium, additional General Fund revenues would be minimal due to the operative date of January 1, 2011.

DEQ anticipates, if priorities permit, that they will conduct rulemaking to modify the penalty formula during the 2009-11 biennium. DEQ estimates that the rulemaking effort will require some effort; however, this work can be absorbed with existing resources. DEQ indicates that the revised formula will likely lead to increased General Fund revenues for the 2011-13 biennium, however, the amount of the increase is indeterminate at this time.