

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 945 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Prohibits manufacturers from selling or offering for sale, and other specified persons from knowingly selling or offering for sale, brake friction material or motor vehicles or trailers with brake friction material containing specific amounts of certain fibers or elements that are hazardous when released into state waterways.

Government Unit(s) Affected:

Department of Environmental Quality, Judicial Department

Summary of Expenditure Impact:

	2011-13 Biennium	2013-15 Biennium
Department of Environmental Quality – Other Funds	\$0	\$20,650

Summary of Revenue Impact: See Analysis

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.

Analysis:

The measure prohibits manufacturers from using certain specified substances as brake friction material. The measure allows manufacturers to apply to the Department of Environmental Quality (DEQ) for exemptions. The measure allows DEQ to impose civil penalties for violations, not to exceed \$10,000 per violation, but must first issue at least one warning letter. The penalties recovered are paid into the General Fund. The measure allows DEQ to test brake friction materials to verify compliance. The restrictions on these certain substances become operative July 1, 2014.

DEQ intends to pattern this brake bad program after the State of Washington's similar program, including utilizing Washington's templates for rule language, application forms, certifications, testing procedures, and criteria for approving laboratories. DEQ does not plan to devote resources related to enforcement of recalls.

DEQ assumes that the anticipated workload to develop and implement the program, respond to inquiries and complaints, and the compliance and enforcement aspects of the measure would be accomplished by existing staff within the toxics program through reprioritizing duties and responsibilities. DEQ estimates the cost to implement the requirements of this measure to be approximately \$20,650 Other Funds in 2013-15. DEQ anticipates utilizing Section 319 grant moneys to fund the rule-making, program start-up and personnel costs. DEQ notes that usage of these funds is contingent on Environmental Protection Agency approval. DEQ assumes funding for on-going costs of the program from the toxics program.

The Legislative Fiscal Office (LFO) notes that the measure does not provide a revenue source for the program. DEQ assumes that work would be funded through the toxic program. The civil penalty revenue paid into the General Fund as a result of this measure is indeterminate.

The Judicial Department could have a minimal expenditure impact if a manufacturer files a petition with the Court of Appeals for a judicial review of the imposed civil penalties.