

## HB 2061 A STAFF MEASURE SUMMARY

### Joint Committee On Ways and Means

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**Prepared By:** John Terpening, Budget Analyst

**Meeting Dates:** 5/16, 5/17

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#### **WHAT THE MEASURE DOES:**

Changes the annual permit fee structure for concentrated and confined animal feeding operations. Requires any concentrated animal feeding operation under a National Pollutant Discharge Elimination System (NPDES) or water pollution control facility (WPCF) permit to pay an annual permit fee. Authorizes the Oregon Department of Agriculture (ODA) to establish annual permit fees by rule for both concentrated and confined animal feeding operations not to exceed \$125, \$250, and \$900 for small, medium, and large operations. Allows ODA to adopt rules that establish size category tiers for confined animal feeding operations for the purposes of annual permit fee assessment. Establishes a maximum total of \$10,000 for an individual permit-holder to pay for annual permit fees. Requires ODA to charge a permit application fee for new concentrated or confined animal feeding operations or for the transfer of an NPDES or WPCF permit, not to exceed \$100, \$150, and \$300 for small, medium, and large operations, and not to exceed \$200 for the transfer of an operation under a general or individual NPDES or WPCF permit. Establishes a maximum total of \$15,000 for an individual permit applicant to pay for new concentrated or confined animal feeding operations. Becomes operative on January 1, 2020. Takes effect on the 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Fiscal impact of the measure

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

The Oregon Department of Agriculture (ODA) issues confined animal feeding operations (CAFO) permits to facilities that meet the state or federal CAFO definition and pay an annual permit fee. ORS 561.255 directs ODA to charge small, medium, and large CAFOs \$100, \$200, and \$300 respectively, and to define size category tiers by rule. CAFO owners are currently charged a \$50 permit application fee.

House Bill 2061 A would require ODA to establish annual permit fees and permit application fees for confined and concentrated animal feeding operations by rule, with statutorily established maximums.

The measure was passed without recommendation by the House Committee on Agriculture and Land Use on a 7-0 vote on April 4 after the committee discussed the following issues: state and federal definitions for confined animal feeding operations (CAFO); purpose of ODA's CAFO inspection process to ensure water quality in Oregon; ODA and dairy industry negotiations and agreement on the structure of the fee increase; ODA fee needs for this biennium, and over time; projected additional revenue from fee increases will result in one additional ODA full-time employee; dairy and beef industries' economic contribution to the state; four-year decline in milk prices and financial challenges in the industry.