

**SB 5702 STAFF MEASURE SUMMARY****Carrier:** Sen. Frederick**Joint Committee On Ways and Means****Action Date:** 02/27/20**Action:** Do pass.**Senate Vote****Yeas:** 7 - Beyer, Frederick, Johnson, Monnes Anderson, Roblan, Steiner Hayward, Wagner**Abs:** 5 - Boles, Girod, Hansell, Heard, Thomsen**House Vote****Yeas:** 6 - Gomberg, Holvey, McLain, Nosse, Piluso, Rayfield**Abs:** 3 - Drazan, Smith G, Stark**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** John Terpening, Budget Analyst**Meeting Dates:** 2/12, 2/24, 2/27**WHAT THE MEASURE DOES:**

SB 5702 is the fee ratification bill for the Department of Environmental Quality (DEQ) for its fees related to the Vehicle Inspection Program (VIP). The measure provides the enabling legislation necessary to approve fees adopted by DEQ through Administrative Rule and approved by the Department of Administrative Services during the interim between legislative sessions. ORS 291.055(1)(e) mandates that all new state agency fees or fee increases adopted between regular sessions of the Legislative Assembly are rescinded upon adjournment of the next regular session unless authorized by enabling legislation setting forth the approved fees.

The proposed increase in SB 5702 is from \$21 to \$25 in the Portland area, and from \$10 to \$15 in Medford. Both increases are effective May 1, 2020. Another increase to Medford is proposed to take effect July 1, 2021, increasing the fee from \$15 to \$20. The discrepancy in fee amounts between Portland and Medford dates to when vehicles in the Portland area were subject to a more complex test type, which is now obsolete. Finally, the dealer testing fee is increasing from \$26 to \$30.

**ISSUES DISCUSSED:**

- Fiscal impact of the measure
- Cost effectiveness of the program
- Comparison of current program fees to similar programs in other states

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Department's VIP program provides certificates of compliance with motor vehicle emissions standards every two years as part of motorist requirements for DMV renewal in the Portland and Medford areas. These municipal areas are subject to this testing due to federal requirements around implementation of the Clean Air Act to address poor air quality related to ozone and carbon monoxide. To get this certificate, motorists must pay a fee, currently \$21 in Portland, and \$10 in Medford, after having their vehicle emissions tested at one of seven Clean Air Stations operated by DEQ (six in Portland, one in Medford). This program is entirely fee funded and has not increased fees since 1997.

The fee increase was presented, along with a cost-effectiveness study of the program required by statute, to the Environmental Quality Commission and approved in November 2019. The fees are anticipated to raise approximately \$2.5 million in the 2019-21 biennium and will be used to fund current operations. The program's

*This summary has not been adopted or officially endorsed by action of the committee.*

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position authority was reduced by eight positions in the 2019-21 legislatively adopted budget as a result of the fee increase not being approved at the beginning of the 2019-21 biennium. The Department anticipates requesting that the Legislature restore those eight positions for the 2021-23 biennium and that the fee increase can sustain the program through the 2021-23 biennium.