

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2603 - A11

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Requires owners or operators of undersea cables to obtain financial assurances for installation and removal of cable and create plan for removal of cable.

Government Unit(s) Affected:

Department of Geology and Mineral Industries (DOGAMI), Department of Environmental Quality (DEQ), Department of Fish and Wildlife (ODFW), Cities, Department of Land Conservation and Development (DLCD), Department of State Lands (DSL), Oregon Parks and Recreation Department (OPRD), Counties

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2021-23 Biennium	2023-25 Biennium
General Fund	\$497,081	\$0
Other Funds	196,176	0
Total Funds	\$693,257	\$0
Positions	2	0
FTE	1.76	0.00

Analysis:

HB 2603 - A11 relates to undersea cables which are used to conduct electricity or light. An applicant for an easement to place an undersea cable must acquire and maintain financial assurance to ensure that the applicant constructs the cable according to the terms of the easement. The amount of the financial assurance is to be determined by the Department of State Lands (DSL). Owners or operators of an undersea cable must also submit a decommissioning plan to DSL at least 180 days before decommissioning the cable. This portion of the measure becomes operative on January 1, 2022, though DSL may take any action before the operative date to enact this measure.

This measure also directs the Department of Land Conservation and Development (DLCD), in consultation with DSL and local and tribal governments, to review the part of the Territorial Sea Plan that addresses the placement of cables, pipelines, and other utilities in the territorial sea. This is to include consideration of fee structures and state and federal review processes (including permitting process) for the placement of undersea cables on state-owned submerged or submersible land within the territorial sea and under the ocean shore, and the siting of associated landing sites. DLCD is to provide the results of this review to the Ocean Policy Advisory Council.

The Ocean Policy Advisory Council is to develop recommendations for amendments in light of this review, and is directed to evaluate a coordinated permitting process for placement of undersea cables; suitable landing sites, including a mapping analysis; the impact of state agencies, laws, zoning requirements, or statewide planning goals on potential undersea cable sites; changes to fee structures and financing associated with administrative costs and the protections and management of the territorial sea and ocean shore; public engagement; the impact

of drilling on certain resources; an application process; requirements for interagency preapplication process meetings; standards for undersea cables in California and Washington; and coordination with tribal governments. Recommendations are to be developed no later than two years after the effective date of the act. The effective date is the 91st day after the Legislative Assembly adjourns sine die.

Department of Land Conservation and Development

DLCD provides administrative support for the Ocean Policy Advisory Council. DLCD anticipates hiring one full-time, limited duration Planner 3 position (0.88 FTE in 2021-23) at a total cost of \$197,081 General Fund, including position-related Services and Supplies. The Planner 3 will assist the Council with recommendations for amendments to the Territorial Sea Plan, including the study of the permitting process and landing site suitability.

Additionally, it is estimated that a study of the entire Oregon Coast to determine opportunities, limitations, and requirements for landing sites could cost up to \$300,000 General Fund.

An appropriation related to these costs is included in the - A11 amendment.

Department of State Lands

The Department of State Lands (DSL) anticipates needing one full-time, limited duration Natural Resources Specialist 4 position (0.88 FTE in 2021-23) at a total cost of \$196,176 Other Funds, including position-related Services and Supplies. This position will assist with the review and recommendation work required under this measure, specific to DSL's role in permitting for undersea cables. Other Funds are derived from leases on state owned waterways and submersible lands.

Additional expenditure limitation related to these costs is included in the - A11 amendment.

Other state and local agencies

There is no or minimal fiscal impact anticipated for the Department of Geology and Mineral Industries, Department of Environmental Quality, Department of Fish and Wildlife, Oregon Parks and Recreation Department, Counties, or Cities. Should any state agencies have a larger than minimal impact as a result of their participation in the work of the Ocean Policy Advisory Council, they may need to return to the Legislative Emergency Board or a subsequent legislative session to request expenditure appropriation and/or limitation in order to comply with the provisions of this measure.