

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1576

81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Haylee Morse-Miller
Reviewed by: John Terpening, John Borden
Date: February 2, 2022**Measure Description:**

Establishes product stewardship program for mattresses.

Government Unit(s) Affected:

Department of Environmental Quality (DEQ), Department of Justice (DOJ)

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
Other Funds	56,604	113,209
Total Funds	\$56,604	\$113,209
Positions	1	1
FTE	0.25	0.50

Analysis:

SB 1576 establishes a program to collect and manage discarded mattresses. The program is to be run by a stewardship organization, with oversight from the Department of Environmental Quality (DEQ). DEQ will be advised by a mattress stewardship program advisory committee that meets at least annually. To administer this program DEQ will:

- Approve a stewardship organization’s plan for the discarded mattress program;
- Approve a fee that will be charged by mattress retailers when a mattress is sold, and transmitted to the stewardship organization to cover the costs of the discarded mattress program;
- Establish an annual fee that will be paid by the stewardship organization to cover DEQ costs to administer, implement, and enforce the program;
- Review and approve annual reports and any plan changes submitted by the stewardship organization;
- Investigate program violations; and,
- Adopt rules to administer this act.

This measure also establishes the Mattress Stewardship Fund, separate and distinct from the General Fund, with monies in the fund continuously appropriated to DEQ to enact this measure. This measure is operative on January 1, 2023, and initial plans for mattress stewardship programs must be submitted to DEQ by October 1, 2023. Programs must be implemented no later than seven months after the plan is approved by DEQ. The measure takes effect on the 91st day after the Legislative Assembly adjourns sine die.

For this program, DEQ anticipates needing a permanent, part-time Operations and Policy Analyst 2 position (0.25 FTE in 2021-23, 0.50 FTE in 2023-25) to oversee program activities. The total cost of this position and associated Services and Supplies is \$56,604 Other Funds in 2021-23 and \$113,209 Other Funds in 2023-25.

While the program is intended to be self-supporting based on an annual fee paid by stewardship organizations, this fee will not be charged until after a stewardship organization plan is approved in 2023, and DEQ does not anticipate collecting mattress stewardship fees until sometime around January 2025. It is assumed existing Solid Waste Tipping Fee funds would be used to cover program costs for the remainder of the 2021-23 biennium and most of the 2023-25 biennium. These funds would be reimbursed once the stewardship organization begins making payments. Absent the availability of Solid Waste Tipping Fee funds, the costs would need to be covered by the General Fund.

There is no fiscal impact on the Department of Justice.

This measure warrants referral to the Joint Committee on Ways and Means for further consideration of any budgetary impacts.