

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3196 - 1

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Haylee Morse-Miller

Reviewed by: April McDonald

Date: March 26, 2023

Measure Description:

Authorizes Environmental Quality Commission to establish by rule fee to be paid by community climate investment entities.

Government Unit(s) Affected:

Department of Environmental Quality

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

HB 3196 - 1 authorizes the Environmental Quality Commission to establish a fee by rule that will be paid by community climate investment entities - or nonprofit organizations that have entered into an agreement with the Department of Environmental Quality (DEQ) to implement projects supported by community climate investment funds. The fee must be calculated to cover the costs of administering and overseeing the portions of the agency’s Climate Protection Program that are related to community climate investments; and may not exceed 5% of the total community climate investment funds received by a community climate investment entity during the period for which the fee applies. Fee revenue is to be deposited in the Community Climate Investment Oversight Account established by this measure. Moneys in the account are continuously appropriated to DEQ to pay costs of administration and oversight of community climate investments. The measure takes effect January 1, 2024.

Fee revenue from this measure is indeterminate since the Environmental Quality Commission will be establishing the fee by rule. However, the fee revenue will need to be sufficient to pay for four new positions and associated costs that are included in Policy Option Package 115 in the 2023-25 Governor’s Budget for DEQ. The Policy Option Package includes a request for \$500,000 General Fund and \$1 million in Other Funds expenditure limitation; the General Fund will pay for program operations until Other Funds are received from the fee authorized by this measure. The agency anticipates setting the fee at a level sufficient to garner \$2 million in Other Funds during the 2023-25 biennium, to support the new positions and also build operating reserves.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact on the DEQ budget.