

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2867 - 1

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Establishes Oregon Desalination Authority.

Government Unit(s) Affected:

Department of Environmental Quality, Legislative Assembly, Water Resources Department, Department of Agriculture, Department of Geology and Mineral Industries, Department of Energy

Summary of Fiscal Impact:

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

Analysis:

HB 2867 - 1 creates the 15-member Task Force on Desalination which is to study the creation of a statewide desalination program. The task force is to consider program viability and development strategies and may consider other issues related to the creation of the program. The task force is to report to an interim committee of the Legislative Assembly related to water no later than September 15, 2024. Members of the task force who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for expenses and serve as volunteers on the task force. The bill directs the Water Resources Department (WRD) to provide staff support for the task force, and the task force sunsets on December 31, 2024. The measure takes effect on the 91st day after the Legislative Assembly adjourns sine die.

Legislative Assembly

The bill is expected to have a minimal impact on the Legislative Assembly. Four members of the task force will be legislative members who are entitled to per diem and travel reimbursement. Meetings are set by the chairperson and it is unknown how often the task force would meet. However, assuming the task force meets eight times during the approximate 12-month period until its report is due September 15, 2024, the estimated per diem and travel reimbursement costs will total \$9,000. This amount includes the Federal Insurance Contribution Act (FICA) tax, assumes the per diem remains at \$157 per day, and estimates an average mileage of 171 miles at the current rate of \$0.655 per mile. This estimate could change based on the number of meetings held. The task force would not incur additional costs to the Legislative Assembly budget if the meetings were held at the Capitol building during the Legislative Session, or Task Force or Legislative Days.

Although the 2023-25 Legislative Assembly budget contains funds allocated for interim committees and task forces, if the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2023-25 budget, additional General Fund resources may be required.

Water Resources Department

To support the work of the task force, WRD would hire one limited duration, full-time Operations and Policy Analyst 3 (0.50 FTE in 2023-25). This position would provide desalination research, report drafting, and administrative and logistical support to the task force. Total costs for WRD are estimated at \$148,931 General Fund, which includes \$116,296 for personal services and \$21,645 for position-related and other miscellaneous services and supplies.

Other agencies

There is minimal fiscal impact anticipated for the Department of Geology and Mineral Industries, Department of Environmental Quality, Department of Energy, and Department of Agriculture, all of which are required to have a representative on the task force.