

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3229 - 2

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: June 15, 2023

Measure Description:

Modifies federal operating permit program fees.

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.

Summary of Revenue Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Environmental Quality		
Other Funds	\$11,604,407	\$12,311,115
Total Funds	\$11,604,407	\$12,311,115

Analysis:

HB 3229 - 2 makes changes to the fees charged by the Department of Environmental Quality (DEQ) as part of the Title V program. Upon passage of the measure, the current fee of \$66.10 per ton of regulated pollutants emitted annually is replaced with a fee of \$95 per ton, which increases to \$121 per ton as of January 1, 2024. The current base fee of \$8,744 for a source subject to the federal operating permit program is replaced with a fee of \$12,504, which increases to \$16,002 as of January 1, 2024.

For air contamination reporting and asbestos abatement fees, starting upon passage of the measure, the Environmental Quality Commission may increase fees once per year. The amount of the increase may not exceed the cost of administering the federal operating permit program or 3%, whichever is lower, unless the larger increase is provided for in DEQ’s legislatively approved budget. Starting January 1, 2025, the same actions may be taken by the Commission for the emissions fee, base fee for a source, and other federal operating permit program fees.

DEQ is directed to evaluate and make recommendations for alternative fee structures for Oregon’s federal operating permit program, and to submit findings to the interim committees of the Legislative Assembly related to the environment by December 31, 2023. The measure declares an emergency and takes effect on passage.

Fee revenue anticipated from this measure is estimated to total \$11.6 million in the 2023-25 biennium, and \$12.3 million in the 2025-27 biennium. The Title V program costs for the 2023-25 biennium are estimated at \$10.9 million, which includes expenditures for 32 positions, position-related services and supplies, and indirect costs for administrative services. Fee revenue should be sufficient to pay for the cost of administering the federal operating permit program, and to restore an ending balance for the program equivalent to four to six months of operating costs, or approximately \$1.8 - \$2.7 million.