

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3273 - A**

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:

Repeals Department of Environmental Quality's dry cleaner environmental program.

Government Unit(s) Affected:

Department of Emergency Management, Department of Environmental Quality, Department of Revenue, Judicial Department

Summary of Fiscal Impact:

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

Analysis:

HB 3273 - A eliminates the dry cleaner environmental program within the Department of Environmental Quality (DEQ) as of January 1, 2024, including all associated fees; and abolishes the Dry Cleaner Environmental Response Account effective January 1, 2025, with any moneys in the account transferred to the General Fund. The measure also prohibits use of perchloroethylene or n-propyl bromide as a dry-cleaning solvent as of January 1, 2028. DEQ may enter and inspect any dry-cleaning facility to enforce prohibition on these solvents and may institute actions or proceedings related to violations. The measure takes effect on the 91st day after the Legislative Assembly adjourns sine die.

DEQ reports that dry cleaner environmental program costs for the 2021-23 biennium to date are approximately \$600,000 with several positions working part of their time on program activities, totaling approximately 0.75 FTE. Due to an eroding fee base with the departure of many dry cleaners from the industry, fee revenue has not kept up with the costs of program administration. DEQ receives approximately \$187,000 in revenue from dry cleaner environmental program fees each year, with \$262,000 received during the 2021-23 biennium to date. The program has stopped accepting new sites for cleanup activity, and work will be reduced going forward to ensure that costs do not exceed available revenues.

Any work related to enforcement of the prohibition on solvents starting in 2028 is outside of the two biennia purview of this fiscal impact statement, though DEQ anticipates that these costs will be minimal.

There is no fiscal impact for the Oregon Department of Emergency Management or Department of Revenue, and minimal fiscal impact for the Oregon Judicial Department.