

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3207 - 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:

Amends reporting requirements for real estate transaction sampling of domestic wells to require labs conducting tests to submit results to Department of Environmental Quality.

Government Unit(s) Affected:

Department of Environmental Quality, Real Estate Agency, Counties, Oregon Health Authority

Summary of Fiscal Impact:

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

Analysis:

HB 3207 - A requires that in any real estate transaction that includes a well that supplies ground water for domestic purposes, that tests on the well performed by the seller must be conducted by an accredited environmental laboratory; and results of the test must also be electronically submitted to the Department of Environmental Quality (DEQ) within 90 days. DEQ is to develop and make available a chain of custody form that may be used by laboratories conducting tests.

After receiving test results, DEQ is to process, geolocate, and review completeness of the data; make the results available on a publicly accessible database; provide the results of the tests to the Oregon Health Authority (OHA); and use data derived from the results to inform the agency's work around ground water. OHA may, for purposes related to outreach or education, analyze the results of tests received; identify areas with likely ground water contaminant problems; provide ground water contaminant education; or notify a local public health authority that ground water contaminant education is needed in their area.

This measure is largely operative July 1, 2024; and the measure takes effect January 1, 2024.

Department of Environmental Quality

DEQ estimates that implementation of this measure will cost \$306,554 in the 2023-25 biennium; and \$112,829 in the 2025-27 biennium. DEQ would hire two positions to implement this measure: one full-time limited duration Natural Resource Specialist 2 (0.88 FTE in the 2023-25 biennium) to develop data management infrastructure, and one part-time permanent Natural Resource Specialist 2 (0.06 FTE in the 2023-25 biennium, 0.50 FTE in the 2025-27 biennium) to support ongoing processing of well data. These positions would overlap for three months at the end of the 2023-25 biennium to ensure that the data processing and collection activities are aligned. Total position costs are estimated at \$173,116 for personal services and \$38,438 for services and supplies. DEQ would also need one-time funding of \$95,000 in the 2023-25 biennium for data processing software.

The agency notes that the limited duration Natural Resource Specialist 2 position would need to start by October 2023 in order to develop the data management infrastructure within the biennium. It is not clear if the infrastructure could be developed by the July 1, 2024 operative date. This fiscal impact statement assumes that the limited duration Natural Resource Specialist 2 position starts in October 2023, instead of after the measure's effective date of January 1, 2024; costs would be reduced by approximately \$29,232 General Fund if the later starting date is used.

Oregon Health Authority

Due to the changed well reporting requirements, OHA would need to transfer some well testing data to DEQ. This work can be done using existing resources.

OHA also reports an indeterminate impact for the Oregon Environmental Laboratory Accreditation Program. Laboratories performing well testing must be accredited under this program. The Oregon Environmental Laboratory Accreditation Program will likely have increased demand for well accreditation and supplying technical assistance to ensure compliance with regulations; and may see increased complaints and investigations as well. It is not clear how much work will be created under this measure. OHA notes that this program is fee-funded and fees are likely insufficient to cover the additional workload that would result from this measure.

OHA may analyze the results of tests received; identify areas with likely ground water contaminant problems; provide ground water contaminant education; or notify a local public health authority that ground water contaminant education is needed in their area. The measure permits but does not require this work to be done. OHA anticipates having the staff capacity to perform this work if required.

Counties

The Association of Oregon Counties reports an indeterminate impact, based on the contracts that counties have related to ground water contaminant education; there is minimal fiscal impact anticipated if the education is to be done within available funds, but if required to conduct education activities regardless of the availability of funding, then there could be a fiscal impact.

Oregon Real Estate Agency

There is minimal fiscal impact for the Oregon Real Estate Agency.