

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Capital Construction Subcommittee

From: John Terpening, Legislative Fiscal Office

Date: March 6, 2024

Subject: SB 5702 – Fee Ratification
Work Session Recommendations

SB 5702 is the fee ratification bill for the Department of Public Safety Standards and Training, Higher Education Coordinating Commission, Department of Agriculture, Department of Environmental Quality, and the Oregon Liquor and Cannabis Commission. The measure provides the enabling legislation necessary for fees adopted by these agencies through administrative rule and approved by the Department of Administrative Services (DAS). State law (ORS 291.055) requires all new agency fees or fee increases adopted between regular sessions of the Legislative Assembly be authorized by enabling legislation or rescinded upon adjournment of the next regular session.

Department of Public Safety Standards and Training (DPSST)

DPSST has established fees for the licensure of Private Security Entities, as authorized by HB 2527 (2021). The fees include entity licensure (\$624), late renewal fee (\$50), duplicate or replacement fee (\$24), and non-sufficient funds fee (\$25). Overall, the fee revenue is estimated to be \$921,024 Other Funds in the 2023-25 biennium.

Higher Education Coordinating Commission (HECC)

HECC has increased the fee for fingerprint and background checks for the Private Career Schools to \$140. This fee was last increased in 2013 and is not sufficient to support the cost of processing fingerprint and background checks. The estimate revenue from the increased fee is \$14,000 Other Funds in the 2023-25 biennium.

Department of Agriculture (ODA)

ODA adopted a late application fee for a Hemp Grow Site license of \$250, that is anticipated to generate approximately \$5,000 Other Funds revenue in the 2023-25 biennium. The Department also established two new noncommercial pesticide applicator license types for the Pesticides Program, as authorized by HB 4062 (2022). This will allow for commercial and noncommercial applicators to be licensed, whereas now all applicators are licensed as commercial applicators.

Once current applicators commercial licenses expire, they will change to a noncommercial license. Since, the fee amount is the same the Department anticipates no increase to revenue in the 2023-25 biennium.

Department of Environmental Quality (DEQ)

Three different programs within DEQ have newly established or increased fees. The Fuel Tank Seismic Stability Program, authorized by SB 1567 (2022), has established fees to support the requirements for DEQ to review and approve Seismic Vulnerability Assessment and Risk Mitigation Implementation Plans for the regulation of bulk oils or liquid fuels terminals. These include a seismic risk assessment submittal fee (\$39,000), risk mitigation implementation plan submittal fee (\$36,000), and annual compliance fee (\$23,000). These fees are expected to result in \$1.7 million of Other Funds revenue in the 2023-25 biennium.

The Mattress Stewardship fee for the Mattress Stewardship Program, as authorized by SB 1576 (2022), to cover the administrative costs of the program. The fee will be \$205,000 and is estimated to increase Other Funds revenue by \$205,000 in the 2023-25 biennium.

The Waste Tire Management Program has increased the Carrier Permit Annual Compliance fee from \$175 to \$200 and the Department estimates \$5,200 Other Funds revenue in the 2023-25 biennium. Additionally, this program abolished several historic fees associated with the transportation and disposal of waste tires as part of a broader rulemaking effort to modernize and clean up modifications made in the early 1990s.

Oregon Liquor and Cannabis Commission (OLCC)

The measure establishes the Alcohol Delivery Training Program Review fee for the Liquor Licensing Division, as authorized in HB 3308 (2023), which allows for a third-party facilitator to delivery alcoholic beverages on behalf of an eligible business. The fee will be \$250 and is estimated to increase Other Funds revenue by \$37,500 in the 2023-25 biennium.

Final Subcommittee Action

LFO recommends that SB 5702 be moved to the Ways and Means Full Committee.

MOTION: I move SB 5702 to the Full Committee with a do pass recommendation.
(VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____