



Legislative Fiscal Office  
83<sup>rd</sup> Oregon Legislative Assembly  
2025 Regular Session

Prepared by: Twais Broadus  
Reviewed by: Katie Bannikov, Amanda Beitel, John Borden, Emily Coates, April McDonald, Ben Ruef, Paul Siebert  
Date: May 19, 2025

**Bill Title:** Relating to fees on the transportation of oil by rail.

**Government Unit(s) Affected:** Cities, Counties, Department of Environmental Quality, Department of Fish and Wildlife, Department of Land Conservation and Development, Department of Revenue, Department of State Police, Department of Transportation, Department of the State Fire Marshal, Oregon Military Department

**Summary of Fiscal Impact**

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of the State Fire Marshal	\$ -	\$ -	\$ 176,685	\$ -	\$ 176,685	1	0.25
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 176,685</b>	<b>\$ -</b>	<b>\$ 176,685</b>	<b>1</b>	<b>0.25</b>

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of the State Fire Marshal	\$ -	\$ -	\$ 391,239	\$ -	\$ 391,239	1	1.00
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 391,239</b>	<b>\$ -</b>	<b>\$ 391,239</b>	<b>1</b>	<b>1.00</b>

**Summary of Revenue Impact**

Agency -- Fund Type	2025-27 Biennium	2027-29 Biennium
Department of the State Fire Marshal -- Other Funds	\$ 100,000	\$ 400,000
Department of Environmental Quality -- Other Funds	\$ 250,000	\$ 1,000,000
<b>Total Revenue Impact</b>	<b>\$ 350,000</b>	<b>\$ 1,400,000</b>

**Measure Description**

The measure extends the sunset date for two fees related to the transportation of oil by rail from January 2, 2027, to July 1, 2029. These include the contingency planning fee and the tank railroad car fee. The measure also updates the definition of "oil" to align with specific United Nations and North American hazardous materials codes and modifies the definition of "tank railroad car" to apply only to trains transporting 20 or more tank cars loaded with oil owned by the same entity.

**Fiscal Analysis**

The total estimated fiscal impact is \$176,685 Other Funds and one limited duration position (0.25 FTE) in the 2025-27 biennium and \$391,239 Other Funds and one limited duration position (1.00 FTE) in the 2027-29 biennium.

Oregon's oil-by-rail safety and preparedness programs are funded through two separate fees. The Oregon Department of Transportation (ODOT) collects an annual contingency planning fee from railroads operating high hazard train routes, with revenue directed to the High Hazard Train Route Oil Spill Preparedness Fund to support the Department of Environmental Quality (DEQ). Separately, the Department of Revenue (DOR) collects a \$19 per-car fee from oil shippers transporting loaded tank railcars, with the amount set by rule jointly by DEQ and the Department of the State Fire Marshal (DSFM). Proceeds are deposited into the Oil and Hazardous Material Transportation by Rail Action Fund for DSFM to support prevention, response, and preparedness activities related to oil spills or releases involving high hazard train routes, and to maintain statewide emergency response capabilities.

#### Department of the State Fire Marshal

The extension of the sunset date results in six months of additional revenue and expense in the 2025-27 biennium and an estimated fiscal impact of \$176,685 Other Funds for DSFM in the 2025-27 biennium and \$391,239 Other Funds in the 2027-29 biennium. This is supported by an estimated \$200,000 in annual fee revenue from oil transported by rail through June 30, 2029, and a current balance of approximately \$150,000 in the Oil and Hazardous Material Transportation by Rail Action Fund.

Revenue generated from the fee extension will fund a limited duration Public Safety Training Specialist 2 position (0.25 FTE in 2025-27 and 1.00 FTE in 2027-29) tasked with developing and updating contingency plans and conducting multiagency, multijurisdictional training exercises. DSFM is responsible for coordinating statewide preparedness and emergency response activities related to oil and hazardous material releases from high hazard train routes.

#### Department of Environmental Quality

DEQ is responsible for reviewing and approving oil spill contingency plans, conducting training and response exercises, inspecting equipment, and verifying the readiness of public and private entities to prevent and respond to oil spill emergencies along high hazard train routes. These activities are funded through the High Hazard Train Route Oil Spill Preparedness Fund, which receives revenue from contingency planning fees collected by ODOT – currently set at 0.0005% of railroad gross operating revenue. This revenue is estimated to total approximately \$1 million Other Funds per biennium and supports two positions (2.00 FTE); a staffing level DEQ anticipates maintaining through the 2025-27 and 2027-29 biennia. DEQ also helps set fees by rule for the Oil and Hazardous Material Transportation by Rail Action Fund but does not expend from the Fund. The measure is anticipated to have a minimal fiscal impact on DEQ, absorbable within existing resources.

#### Department of Transportation

ODOT is responsible for collecting contingency planning fees from railroads and transferring the revenue to DEQ for deposit into the High Hazard Train Route Oil Spill Preparedness Fund. This activity is expected to continue in the 2025-27 and 2027-29 biennia, with estimated transfers of approximately \$1 million Other Funds per biennium. The measure is anticipated to have a minimal fiscal impact, absorbable within existing resources.

#### Other entities

The measure is anticipated to have no to minimal impact for Cities, Counties, Department of State Police, Department of Revenue, Oregon Military Department, Department of Land Conservation and Development, and Oregon Department of Fish and Wildlife.

#### **Relevant Dates**

The measure extends the repeal date for the contingency planning fee and the tank railcar oil fee from January 2, 2027, to July 1, 2029.

The measure takes effect on January 1, 2026.