

HB 2949 -2, -3, -5 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/6, 4/8

WHAT THE MEASURE DOES:

The measure requires the Department of Environmental Quality to contract with a third party to study and assess financial assurance requirements for owners or operators of bulk oils and liquid fuels terminals as defined in ORS 468B.510. Requires the department to submit a report to the Legislature by September 15, 2026. Repeals on January 2, 2027.

Fiscal impact: Fiscal lite

Revenue impact: No revenue impact

ISSUES DISCUSSED:

- Concerns about fuel and oil spills, and impacts on the environment, people and the economy
- Questions about why this should be a state law and the role of counties in the process
- Questions about the cost of the study

EFFECT OF AMENDMENT:

-2 Requires the department to report to interim committees of the Legislative Assembly related to emergency, instead of the environment.

-3 Replaces measure.

- States findings of the Legislative Assembly; requires rules adopted by the Oregon Environmental Quality Commission should align with federal standards, while addressing state-specific risks and needs.
- Defines 'Certificate of financial responsibility', 'Covered entity'; 'Financial assurance mechanisms'; 'Hazardous material'; 'Spill or release'; and 'Spill-related liability'.
- Requires owners and operators of covered entities acquire and maintain a certificate of financial responsibility in accordance to rules adopted by the commission.
- Describes rules that must be adopted by the commission; lists rules.
- Requires the department evaluate and adjust the maximum amount of financial assurance required.
- Requires the commission to update by rule the minimum amounts of financial assurance established; lists criteria for evaluation.
- Requires the commission appoint an advisory committee on rules and requirements; lists required advisory committee members.
- Requires the department to submit a report to interim committees of the Legislative Assembly related to emergency management and the environment no later than September 15 of even-numbered years.
- In lieu of the first report, requires the department to submit a report to interim committees of the Legislative Assembly related to emergency management and the environment no later than September 15, 2026. Describes reporting requirements.
- Limits the department from evaluate or adjusting the maximum amount of financial assurance before January 1, 2030, notwithstanding initial rule making.
- Takes effect on the 91st day following adjournment sine die.

-5 Replaces measure.

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- Adds sections to ORS chapter 468B
- States findings of the Legislative Assembly; requires rules adopted by the Oregon Environmental Quality Commission should align with federal standards, while addressing state-specific risks and needs.
- Defines 'Certificate of financial responsibility', 'Covered entity'; 'Financial assurance mechanism'; 'Hazardous material'; 'Spill or release'; and 'Spill-related liability'.
- Requires owners and operators of covered entities acquire and maintain a certificate of financial responsibility in accordance with rules adopted by the commission.
- Describes rules that must be adopted by the commission; lists rules.
- Requires the commission establish policies and procedures for enforcing rules; including civil penalties.
- Limits the amount of financial assurance that must be obtained by a covered entity to \$300 million.
- Requires the department evaluate and adjust the maximum amount of financial assurance required every three years.
- Requires the commission to update by rule the minimum amounts of financial assurance established; lists criteria for evaluation.
- Requires the commission appoint an advisory committee on rules and requirements; lists required advisory committee members.
- Requires the department to submit a report to interim committees of the Legislative Assembly related to emergency management and the environment no later than September 15 of even-numbered years.
- Limits local governments from adopting or enforcing rules or regulations requiring covered entities to obtain a financial assurance mechanism that exceeds, or is in addition, to the rules and requirements of the act.
- In lieu of the first report, requires the department to submit a report to interim committees of the Legislative Assembly related to emergency management and the environment no later than September 15, 2026. Describes reporting requirements.
- Limits the department from evaluate or adjusting the maximum amount of financial assurance before January 1, 2030, notwithstanding initial rule making.
- Takes effect on the 91st day following adjournment sine die.

BACKGROUND:

Oregon Revised Statutes 468B.510 describes "bulk oils or liquid fuels terminal" as industrial facilities located in Columbia, Multnomah or Lane County that are primarily engaged in the transport or bulk storage of oils or liquid fuel products and are characterized by having: marine, pipeline, railroad or vehicular transport access; transloading facilities for transferring shipments of oils or liquid fuel products between transportation modes; and one or more bulk storage tanks with a combined capacity of two million gallons or more.

According to Multnomah County, 90% of all liquid fuel in Oregon is stored at these facilities which are commonly called the Critical Energy Infrastructure Hub (CEI Hub). Built before the current understanding of the Cascadia Subduction Zone and potential earthquake risk, the CEI Hub is built on soil that has the potential to liquify in a major earthquake.