

HB 4100 -3 STAFF MEASURE SUMMARY

House Committee On Emergency Management and Veterans

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Meeting Dates: 2/10, 2/12

WHAT THE MEASURE DOES:

The measure requires owners or operators of bulk oils and liquid fuels terminals obtain a certificate of financial responsibility from the Department of Environmental Quality (DEQ). It declares an emergency, effective on its passage.

Detailed Summary

- Describes legislative findings
- Provides definitions
- Requires rules be adopted by the Environmental Quality Commission for certificates; describes rule and evaluation requirements
- Limits the commission from requiring a bulk oils or liquid fuels terminal to obtain an amount of financial assurance that is greater than \$300 million
- Allows DEQ to evaluate and adjust the maximum amount of financial assurance no more than once every three years; allows the commission to update rules regarding the minimum amounts of financial assurance; requires the commission to appoint an advisory committee for rulemaking; describes advisory committee membership
- Limits local governments (ORS 174.116) from adopting or enforcing additional financial assurance mechanisms that exceed, or are in addition to, the maximum assurance amount established by the commission in rulemaking
- Requires DEQ to report to interim committees of the Legislative Assembly related to emergency management and the environment; describes reporting requirements
- Prohibits DEQ from evaluating or adjusting the maximum amount of financial assurance of \$300 million before January 1, 2030
- Updates existing statutes related to seismic risk implementation plans and the Seismic Risk Mitigation Fund

ISSUES DISCUSSED:

- Cascadia Subduction Zone impacts
- Third-party liability
- Earthquake damage and liability

EFFECT OF AMENDMENT:

-3 The amendment is the same as the -2 amendment but removes provisions for standards that require self-insured owners and operators to establish a standby trust fund.

The amendment changes provisions related to self-insurance and to rulemaking by the Commission.

Detailed Summary

- Changes provisions requiring the commission from “being consistent” with requirements for financial responsibility established by the State of Washington, to “consider”.
- Redefines “financial assurance mechanisms” to include “self-insurance”.
- Requires the commission to establish standards for financial assurance mechanisms that can be used alone or in combination to demonstrate assurance; requires the Commission to establish standards for self-insurance.
- Requires that a certificate of financial responsibility be renewed every three years, and every time there is a change in ownership of the terminal, or in the identity of the person that holds the certificate.

- Includes provisions for owners or operators that use self-insurance; describes standards, including reporting requirements to DEQ.
- Requires the department to evaluate and adjust the maximum amount of financial assurance once every three years; if increased requires the department to adjust the amount of financial assurance required for each bulk oils or liquid fuels terminal.
- Requires the commission to adopt a rule that for bulk oils or liquid fuels terminals operating in the state on the effective date of the act, the initial deadline to apply for a certificate be no later than March 31, 2027.
- Reorders section numbers.

Fiscal impact: May have fiscal impact, but no statement yet available

Revenue impact: Has minimal revenue impact

BACKGROUND:

Oregon Revised Statute 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.

The Oregon Environmental Quality Commission is a five-member panel appointed by the governor of Oregon for four-year terms to serve as DEQ’s policy and rulemaking board. In addition to adopting rules, the commission also establishes policies, issues orders, judges appeals of fines or other DEQ actions and appoints the DEQ director.