

HB 4100 A -A5 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: April McDonald, Budget Analyst

Meeting Dates: 3/3, 3/3

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, including that the Environmental Quality Commission consider requirements for financial responsibility established by the State of Washington
- Provides definitions, including modifying financial assurance mechanisms to include “self-insurance”
- Requires the Environmental Quality Commission to establish standards and rules that can be used alone or in combination to demonstrate assurance; requires the commission to establish standards for self-insurance; and describes rules and evaluation requirements
- Requires that a certificate of financial responsibility be renewed every three years, when there is a change in ownership of the terminal, or when the identity of the person that holds the certificate changes
- Includes provisions for owners or operators that use self-insurance, and describes standards, including reporting requirements to DEQ, and civil penalties
- 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
- Requires DEQ to evaluate the maximum amount of financial assurance 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, and 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 the legislature’s interim committees related to emergency management and the environment, and describes reporting requirements
- Prohibits DEQ from evaluating or adjusting the maximum amount of financial assurance of \$300 million before January 1, 2030
- 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 measure, the initial deadline to apply for a certificate is no later than March 31, 2027
- Updates existing statutes related to seismic risk implementation plans and the Seismic Risk Mitigation Fund

ISSUES DISCUSSED:

- Fiscal impact of the measure
- Impact of the -A5 amendment

EFFECT OF AMENDMENT:

-A5 The proposed -A5 amendment increases Other Funds expenditure limitation for the Department of Environmental Quality, Land Quality division, by \$175,162 to carry out the provisions of the measure.

BACKGROUND:

Oregon Revised Statute 468B.510 describes “bulk oils or liquid fuels terminal” as industrial facilities located in Columbia, Multnomah, or Lane counties 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 2 million gallons or more.

The Environmental Quality Commission is a five-member panel appointed by the governor 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.

PRELIMINARY