



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2026 Regular Session

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 Date: March 2, 2026

Bill Title: Relating to bulk fuel terminals; declaring an emergency.

Government Unit(s) Affected: Department of Consumer and Business Services, Counties, Cities, Department of Transportation, Department of Environmental Quality, Special Districts

Summary of Fiscal Impact:

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Environmental Quality	\$ -	\$ -	\$ 175,162	\$ -	\$ 175,162	2	0.67
Total Fiscal Impact	\$ -	\$ -	\$ 175,162	\$ -	\$ 175,162	2	0.67

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Environmental Quality	\$ -	\$ -	\$ 507,084	\$ -	\$ 507,084	2	2.00
Total Fiscal Impact	\$ -	\$ -	\$ 507,084	\$ -	\$ 507,084	2	2.00

- There is a potential fiscal impact for Multnomah County in the event of an oil spill.

Measure Description

The measure requires that the owner or operator of a bulk oils or liquid fuels terminal must acquire and maintain a certificate of financial responsibility under rules adopted by the Environmental Quality Commission related to financial assurance for spill-related liabilities. Financial assurance must be a minimum amount required by rule that is updated at regular times established by rule and may not be required in an amount of more than \$300 million, with the upper amount to be adjusted every three years. The Commission is to appoint an advisory committee for rule drafting. Local governments may not adopt or enforce regulations that require financial assurance in addition to the requirements adopted by the Commission. The Department of Environmental Quality (DEQ) may establish a fee to cover the costs of the work required by the measure. Fee revenue is to be deposited in the existing Seismic Risk Mitigation Fund.

Fiscal Analysis

The fiscal impact for DEQ is estimated to be \$175,162 Other Funds and two positions (0.67 FTE) in the 2025-27 biennium and \$507,084 Other Funds and two positions (2.00 FTE) in the 2027-29 biennium. There is an indeterminate fiscal impact for Multnomah County as outlined below.

Department of Environmental Quality

The fiscal impact for DEQ is estimated to be \$175,162 Other Funds and two positions (0.67 FTE) in the 2025-27 biennium and \$507,084 Other Funds and two positions (2.00 FTE) in the 2027-29 biennium. Costs are associated with hiring one permanent, full-time Program Analyst 3 (0.42 FTE in the 2025-27 biennium and 1.00 FTE in the 2027-29 biennium) to conduct rulemaking, report on the program, review and issue certificates of financial

responsibility, and support program compliance; and one permanent, full-time Administrative Specialist 2 (0.25 FTE in the 2025-27 biennium and 1.00 FTE in the 2027-29 biennium) to assist with review and management of certificate of financial responsibility application documentation, and quarterly reports.

DEQ's existing Fuel Tank Seismic Stability Program is authorized to adjust the program's Annual Compliance Fee to cover program costs, up to a cap of \$50,000. To implement the requirements of the measure, DEQ would increase the current \$23,000 fee by approximately \$20,000 for the 17 subject facilities, though the annual fee is anticipated to decrease in subsequent years once initial costs for the new positions working on certificates of financial responsibility are covered.

Multnomah County

In the event of an oil spill at the Critical Energy Infrastructure Hub, there could be costs for Multnomah County's response as the Local Public Health Authority and an emergency management authority. The Association of Oregon Counties (AOC) notes that there could be costs for Multnomah County should the combined response to an oil spill exceed \$300 million in costs; Multnomah County anticipates that costs of response for the County alone would be more than \$100 million. AOC also notes that there is no mechanism in the measure for the County to receive funds under the required certificate of financial responsibility.

Other entities

There is minimal fiscal impact for the city of Portland, and no fiscal impact for the Department of Consumer and Business Services, Department of Transportation, and special districts.

Relevant Dates

The measure declares an emergency and takes effect on passage.

The initial deadline to apply for a certificate of financial responsibility is no later than March 31, 2027.

DEQ is to report to the interim committees of the Legislative Assembly related to emergency management and the environment by September 15 of each even-numbered year on their implementation of the financial assurance requirements, with the first report on September 15, 2027.

The maximum financial assurance amount is to first be evaluated sometime after January 1, 2030.