

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 106

STATUS: A-Engrossed

SUBJECT: Increased certification fees for heating oil tank decommissioning and heating oil corrective action

GOVERNMENT UNIT AFFECTED: Department of Environmental Quality

PREPARED BY: Dawn Farr

REVIEWED BY: Paul Siebert

DATE: February 12, 2007

EXPENDITURES:

See Comments.

REVENUES:

	<u>2007-2009</u>	<u>2009-2011</u>
Corrective action certification fees – Other Funds	\$ 297,000	\$ 324,000
Decommissioning certification fees – Other Funds	\$ 22,000	\$ 24,000
	<u>\$ 319,000</u>	<u>\$ 348,000</u>

POSITIONS / FTE:

See Comments.

EFFECTIVE DATE: On passage.

GOVERNOR’S BUDGET: This bill is anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill allows the Department of Environmental Quality (DEQ) to increase filing fees from \$50 to \$75 for certification of a heating oil tank decommissioning, and from \$125 to \$200 for certification of a heating oil tank corrective action.

The bill would increase DEQ’s Other Funds revenue \$319,000 for 2007-2009 and \$348,000 for 2009-2011 biennia. Certifications of corrective action would contribute \$297,000, and tank decommissioning \$22,000 for the 2007-2009 biennium. DEQ assumes higher fees would take effect September 1, 2007, so 2007-2009 revenues reflect just 22 months at the increased fee levels. The revenue estimates assume 4,320 corrective action and 960 decommissioning certification requests per biennium.

Revenues generated will cover program cost increases and add a new position (1.0 FTE). DEQ is projecting a \$60,000 biennial revenue shortfall for the program. This shortfall is not reflected in the Governor’s Recommended Budget for 2007-2009 because the department has sufficient ending balances to cover these expenses next biennium. The fee requested will cover this shortfall projected for the next two biennia.

The new position (1.0 FTE), a Natural Resource Specialist 2, to be added to provide additional oversight of the work performed by DEQ-licensed contractors who provide heating oil tank cleanup and decommissioning services to homeowners. Related expenditures are:

Personal Services:	\$ 111,541
Services and Supplies:	20,000
Agency Indirect Costs:	<u>22,352</u>
Total Other Fund Expenditures:	\$ 153,893