

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

MEASURE NUMBER: SB 338 **STATUS:** A-Engrossed
SUBJECT: Air Quality provisions for woodstove emissions and creates grants and loans program
GOVERNMENT UNIT AFFECTED: Department of Environmental Quality
PREPARED BY: Dawn Farr
REVIEWED BY: Paul Siebert
DATE: April 12, 2007

EXPENDITURES:	<u>2007-2009</u>	<u>2009-2011</u>
Grants and Loans – Other Funds	\$ 300,000	\$ 300,000
Personal Services – General Fund	\$ 73,935	\$ 73,935
Services and Supplies – General Fund	\$ 27,659	\$ 27,659
Total General Fund Expenditures	\$ <u>101,594</u>	\$ <u>101,594</u>

REVENUES:	<u>2007-2009</u>	<u>2009-2011</u>
Civil Penalty Fees – General Fund	\$ (300,000)	\$ (300,000)
Civil Penalty Fees – Other Funds	\$ 300,000	\$ 300,000

POSITIONS / FTE:		
Natural Resource Specialist 3	1/0.5	1/0.5

EFFECTIVE DATE: January 1, 2008.

GOVERNOR’S BUDGET: This bill is not 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 expands air quality provisions from woodstove emissions to more broadly defined solid fuel burning devices; modifies related provisions; establishes a program to provide grants, loans or other subsidies for the replacement or removal of solid fuel burning devices to meet emission standards; allows Department of Environmental Quality (DEQ) to make agreements with local government or regional authority to implement the grants program; amends ORS 105.464—seller’s property disclosure statement; requires removal of non-certified woodstoves upon the sale of residential property; and, directs that penalties (up to \$400,000) recovered by DEQ be paid into the Residential Solid Fuel Heating Air Quality Improvement Fund instead of to the General Fund.

The bill would allow for penalties collected to be paid to a fund that continuously appropriates money to DEQ. DEQ indicates that over the past three years, Asbestos and Open Burning penalty collection has averaged approximately \$150,000 per year. Using this estimate, approximately \$300,000 per biennium of penalty revenues would be transferred from the General Fund to DEQ as Other Funds.

DEQ plans to use penalty Other Fund revenue to establish a grants and loans program. The Department estimates that grants and loans for the replacement or removal of solid fuel burning devices would be equal to the amount of Other Fund penalty revenue collected—estimated at \$300,000 per biennium. If additional penalties are collected, the bill would allow up to \$400,000 of penalty revenue per biennium to be transferred to the Residential Solid Fuel Heating Air Quality Improvement Fund.

DEQ indicates that they will need a half-time position, Natural Resource Specialist 3, to begin immediately after the bill passes, to write rules and implement the legislation so that grants could be made by April 2008. Related Personal Services and Services and Supplies General Fund costs are expected to be \$101,594 per biennium.

This bill currently does not have a subsequent referral the Joint Committee on Ways and Means. The Legislative Fiscal office recommends that this bill be referred to Ways and Means because of the anticipated General Fund impact associated with the bill.