

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 737-B

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Dingfelder
Carrier – Senate: Sens. Walker/G. George**

Action: Do Pass the A-Engrossed Measure as Amended and Be Printed B-Engrossed

Vote: 19 – 2 – 0

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Westlund, Winters

– Nays: Verger, Whitsett

– Exc:

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Dawn Farr, Legislative Fiscal Office

Meeting Date: 6/20/07

Agency

Department of Environmental Quality

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Biennium

2007-09

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,
Schrader, Verger, Westlund, Whitsett, Winters

Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,
Morgan, Nathanson, Nolan, Shields

Representative Mary Nolan, Co-Chair

Senator Richard Devlin, Natural Resources Subcommittee Chair

Budget Summary*

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
Other Funds	0	0	229,430	+229,430	+100.0%

Position Summary

Authorized Positions	0	0	2	+2
Full-time Equivalent (FTE) Positions	0.00	0.00	1.00	+1.00

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Senate Bill 737 allows the Department of Environmental Quality (DEQ) to impose a surcharge on permits issued by the department to permit holders possessing a National Pollutant Discharge Elimination Systems (NPDES) or Water Pollution Control Facility permit that has dry weather design flows of one million gallons per day or greater. The surcharge will generate enough revenue to cover the costs of conducting and administering the study of persistent pollutants. The Department will adopt rules to apply the surcharge in the 2007-09 biennium, and will collect sufficient Other Fund revenue in the 2007-09 biennium to cover expenditures for the biennium.

Summary of Subcommittee Action

DEQ sets and enforces water quality standards, monitors river basins, measures groundwater quality, and regulates waste discharges from city sewage treatment and industrial facilities. Senate Bill 737 adds \$229,430 Other Funds expenditure limitation and two limited duration Natural Resource Specialist 4 positions (1.00 full-time equivalent) to study persistent pollution including the development of a persistent pollutants priority list. The Department anticipates needing to hire staff at Step 8, rather than Step 2, to ensure that they have the professional experience and technical skills necessary to successfully implement the bill.

The report will focus on persistent pollutants that have documented harmful effects on the health and well-being of humans, fish or other wildlife. The report must, at a minimum, include information on:

- toxicological and bioaccumulative factors;
- the feasibility of reduction options;
- data concerning pollutant dose and response;
- data regarding the magnitude and significance of specific on-going and legacy charges;
- identification of individual point, nonpoint and legacy sources including the quantity, concentration and volume from these sources; and
- evaluation of source reduction and technological control measures.

DEQ must provide the priority listing to the 2009 Legislative Assembly no later than June 1, 2009, with the complete study to be reported in 2010. After reporting the priority list in 2009, any changes to the list must be reported to the Legislative Assembly or appropriate interim committee. By July 1, 2011 each permittee shall submit to DEQ a plan for reducing persistent pollutant listed on the priority list. DEQ is directed to incorporate submitted plans into new or renewed NPDES permits.

The bill establishes the Persistent Pollutant Control Account and continuously appropriates the moneys in it to DEQ. Interest earnings on the account will go to the General Fund. DEQ may apply to the circuit court if an industrial or municipal source does not comply with rules for having a persistent pollution control plan. Recovered court costs will be deposited in the Persistent Pollutant Control Account, which also receives money from surcharge payments.

DEQ anticipates needing ongoing support for work completed by the limited duration staff implementing this bill. This need will be evaluated as part of DEQ's 2009-11 Budget Request.

Summary of Performance Measure Action

For department performance measures, please see the budget report for House Bill 5022.