

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

MEASURE NUMBER: HB 2118

STATUS: B-Engrossed

SUBJECT: Allows the Environmental Quality Commission to implement a fee-based underground injection control program

GOVERNMENT UNIT AFFECTED: Department of Environmental Quality

PREPARED BY: Dawn Farr

REVIEWED BY: Paul Siebert

DATE: April 20, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
Personal Services – Other Funds	\$ 714,378	\$ 714,378
Services and Supplies – Other Funds	\$ 147,726	\$ 147,726
Agency Administrative Costs (Indirect) – Other Funds	\$ 143,159	\$ 143,159
	<u>\$ 1,005,263</u>	<u>\$ 1,005,263</u>
REVENUES:		
New Fee Revenue – Other Funds	\$ 1,316,450	\$ 1,316,450
Renewal Fee Revenue – Other Funds	50,000	150,000
Total Revenue – Other Funds	<u>1,366,450</u>	<u>1,466,450</u>

POSITIONS / FTE:

6/5.69

6/5.69

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 Environmental Quality Commission (EQC) to perform any acts necessary for the implementation of an Underground Injection Control (UIC) Program of the Federal Safe Drinking Act. The bill directs the Department of Environmental Quality (DEQ) to collect fees and administer rules adopted by the EQC. The bill establishes the Subsurface Injection Fluids Account to receive fees and continuously appropriate funds to DEQ to pay the administrative expenses of the UIC program.

DEQ indicates that implementation of the bill requires adding 6 positions (5.69 FTE) to ensure adequate staffing for a statewide UIC Program. Positions includes

- 4 Natural Resource Specialists (one NRS-4 and three NRS-3) to write permits, perform compliance audits, review monitoring data and provide technical assistance statewide.

- 0.19 of a Natural Resource 4 position dedicated to program policy guidance, public outreach and reporting to the Environmental Protection Agency. Federal funding currently pays for 0.81 of this position.
- 1 Administrative Specialist-1 to enter application data, track permit/rule authorizations, and issue permit and fee renewal notices.
- 0.5 of a Environmental Law Specialist position in the Office of Compliance and Enforcement to facilitate timely response to UIC compliance and enforcement actions.

Total Other Fund expenditures are expected to be \$1,005,263 for each of the next two biennia; Personal Services \$714,378, Services and Supplies \$147,726 and Agency Administration (Indirect) \$143,159.

Total Other Fund revenue is estimated to \$1,366,450 for 2007-09 and \$1,466,450 for the 2009-11 biennia. The fee increase will initially raise more revenue than needed for program operations, which will build an ending balance. The Department will spend down this balance in subsequent biennia, therefore DEQ does not anticipate needing to adjust these fees again for at least three biennia.