

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 3 - 2 - 0

Yeas: Bates, Prozonski, Avakian

Nays: Atkinson, Beyer

Exc.: 0

Prepared By: Sue Marshall, Administrator

Meeting Dates: 2/08

WHAT THE MEASURE DOES: Increases the annual fees for underground storage tanks. Removes the sunset on a voluntary program for the assessment of noncompliance penalties. Increases penalties under the program.

ISSUES DISCUSSED:

- Whether program should revert to U.S. Environmental Protection Agency
- Regulated industry's position
- Cost savings of voluntary enforcement program
- Removal of sunset provision
- Revenues from fees go to DEQ

EFFECT OF COMMITTEE AMENDMENT: Raises annual underground storage tank permit fee from \$85 to \$135. Raises maximum penalty from \$100 to \$500. Raises maximum aggregate penalty per facility from \$300 to \$1,500.

BACKGROUND: The purpose of Oregon Department of Environmental Quality's (DEQ) tank assistance and compliance program is to prevent leaks and to ensure that facilities have pollution liability insurance. Senate Bill 104-A increases fees, which DEQ asserts will allow it to maintain the minimum eight staff for the program.

A pilot program for expedited enforcement was enacted by the 2001 Legislative Assembly and scheduled to sunset January 2, 2008. The program reduces the amount of time DEQ spends on traditional enforcement by allowing tank facilities to choose between a voluntary field ticketing approach or traditional enforcement, which has reduced the time and cost of enforcement. Senate Bill 104-A removes the sunset on the voluntary enforcement program.

DEQ is seeking to achieve permanent state primacy of the underground storage tank program as delegated from the U.S. Environmental Protection Agency (EPA). EPA requires that states to demonstrate that there is a permanent funding mechanism for the program which necessitates removal of the current sunset, scheduled for January 2, 2008.