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

MEASURE NUMBER: HB 3188 STATUS: A-Engrossed

SUBJECT: Modifies definitions relating to conservation of gas and oil, and clarifies agency authority

GOVERNMENT UNIT AFFECTED: Department of Geology and Mineral Industries

PREPARED BY: Dawn Farr **REVIEWED BY:** Paul Siebert

DATE: April 16, 2007

EXPENDITURES: See Comments.

REVENUES:
Permit Fees – Other funds

2007-2009

\$ 2009-2011

\$ 75,000 \$ 75,000

EFFECTIVE DATE: On passage.

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 modifies and adds definitions relating to conservation of gas and oil; establishes permits and fee structure; authorizes that moneys collected be credited to the Geology and Mineral Industries Account; and, clarifies agency authority.

The Department of Geology and Mineral Industries (DOGAMI) indicates that the bill will increase Other Fund revenues from permit fees by approximately \$75,000 per biennium. This estimate is based on midpoint historical data from 1979 to 2006 that was adjusted for current trends that suggest that activity may be increasing more rapidly than in past years as energy costs increase.

Fee Revenue by Fee Type

Fee Type	Biennial Units	Incremental Change	Increased Revenues
Application to drill	24	\$1,750	\$42,000
Amendments to permit	2	\$1,400	\$5,600
Closing permit	6	\$900	\$5,400
Annual renewal	22	\$1,000	\$22,000
Total Biennial Other Fund Revenue Increase			\$75,000

Revenues will be used to help ensure that ending balances are sufficient to support current services levels for the program.