

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2186 – Minority Report **STATUS:** C Engrossed
SUBJECT: Greenhouse gas emission
GOVERNMENT UNIT AFFECTED: Department of Environmental Quality, Department of Transportation, Department of Land Conservation and Development, Legislative Assembly
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DATE: June 19, 2009

2009-2011

2011-2013

EXPENDITURES:

See Comments.

POSITIONS / FTE:

See Comments.

EFFECTIVE DATE: On passage.

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 measure requires the Department of Environmental Quality (DEQ) to submit a report, including recommendations for legislation, to an interim legislative committee on or before September 1, 2010. The report is to outline specific plans and requirements to foster reduced greenhouse gas emissions related to fuel used for transport, commercial products, maintenance and retrofitting of medium and heavy-duty trucks, vehicle pollution control systems, tire energy efficiency and inflation, and idling of commercial vehicles. Economic impacts to Oregon consumers and businesses, technical feasibility, and other states low carbon fuel standards must be considered in the department's recommendations.

The measure also creates the 16-member Metropolitan Planning Organization Greenhouse Gas Emissions Task Force. The task force is directed to study and evaluate alternative land use and transportation scenarios that accommodate planned population and employment growth areas served by metropolitan planning organizations while reducing greenhouse gas emissions. The task force is directed to evaluate potential fiscal resources required and to recommend legislation by submitting a report to an interim legislative committee prior to January 1, 2010. Staff support for the task force will be provided by the Department of Transportation (ODOT) and the Department of Land Conservation and Development (DLCD). ODOT is directed to use available federal flexible funds for staffing and support of the task force. Reimbursement for actual and necessary travel and other expenses related to the task force are to be paid out of funds appropriated to ODOT. The task force is repealed at the convening of the next regular biennial legislative session.

DEQ indicates that the measure's requirement to develop recommendations for legislation in specified areas through a report to an interim legislative committee by September 1, 2010 requires the addition of

one limited duration (12 months) full-time position and one limited duration (12 months) part-time position as well as the reassignment of existing staff.

DEQ estimates that the time of three existing staff positions can be redeployed from current duties:

- A Natural Resources Specialist (NRS) 5 position (0.50 FTE) in the Air Toxics program will be reassigned to develop specific plans and requirements related to transportation fuel and the reduction of greenhouse gases. This will defer development of other air toxics strategies and on-going work with DEQ's Air Toxics Science Advisory Committee. Costs associated with this work are estimated at \$83,522 Federal Funds for the 2009-11 biennium.
- A NRS 4 position in the Clean Diesel Program (0.50 FTE) will be reassigned to develop specific plans and requirements related to maintenance and retrofitting of medium and heavy-duty trucks and the reduction of greenhouse gases. This will delay the development of other diesel reduction strategies, such as the Clean Diesel Recognition Program. Costs associated with this work are estimated at \$66,535 Federal Funds for the 2009-11 biennium.
- A NRS 4 position from the Oregon Low Emission Vehicle (LEV) program (0.25 FTE) will be reassigned to develop specific plans and requirements related to motor vehicle pollution control system and the reduction of greenhouse gases. This position is funded by fees paid by auto manufacturers. Costs associated with this work are estimated at \$33,267 Other Funds for the 2009-11 biennium.

DEQ estimates that the addition of two limited duration staff positions will be necessary to meet the September 1, 2010 reporting deadline:

- A NRS 4 position (1.00 FTE) to develop specific plans and requirements related to tire energy efficiency and tire inflation and the idling of commercial vehicles and the reduction of greenhouse gases. Costs associated with this work are estimated at \$109,014 General Funds for the 2009-11 biennium.
- A NRS 4 position (0.50 FTE) to develop specific plans and requirements related to commercial products and the reduction of greenhouse gases. Costs associated with this work are estimated at \$54,507 General Funds for the 2009-11 biennium.

ODOT states that the measure has a minimal fiscal impact to the department within the budget limitations for 2009-2011 recommended to the Joint Ways and Means Subcommittee on Transportation and Economic Development.

The Legislative Assembly states the measure has a minimal fiscal impact for reimbursement of legislative assembly members assigned to the task force.

The Department of Land Conservation and Development (DLCD) anticipates a minimal fiscal impact and that staffing of the task force can be absorbed with existing resources. DLCD notes that agency costs would be reimbursed by ODOT, and the department would need additional other funds limitation for those funds.