

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

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**MEASURE NUMBER:** HB 2761                      **STATUS:** Original  
**SUBJECT:** Soil assessments and fees  
**GOVERNMENT UNIT AFFECTED:** Department of Land Conservation and Development and  
 Department of Administrative Services  
**PREPARED BY:** Dawn Farr  
**REVIEWED BY:** Laurie Byerly  
**DATE:** April 30, 2009

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	<u><b>2009-2011</b></u>	<u><b>2011-2013</b></u>
<b>EXPENDITURES:</b>		
Personal Services – Other Funds	\$ 15,021	\$ 26,703
Services and Supplies – Other Funds	\$ 3,213	\$ 4,091
Statewide Price Agreement – Other Funds	0	20,000
Contract Services – Other Funds	\$ 750,000	\$ 1,000,000
<b>Total Other Funds Expenditures</b>	<b>\$ 768,234</b>	<b>\$ 1,051,604</b>

	<u><b>2009-2011</b></u>	<u><b>2011-2013</b></u>
<b>REVENUES:</b>		
<b>Assessment Fees – Other Funds</b>	<b>\$ 780,000</b>	<b>\$ 1,040,000</b>

<b>POSITIONS / FTE:</b>		
Procurement Specialist	1/0.18	1/.025

**EFFECTIVE DATE:** January 1, 2009.

**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.

**ANALYSIS:** The bill allows landowners to request that the Department of Land Conservation and Development (DLCD) arrange for a certified professional soil classifier to assess the capability of the landowner's soil; directs DLCD to review the soil assessment; and, directs DLCD to charge a fee for the assessment and Department's review.

DLCD indicates that they anticipate using contracted services to conduct soil assessments, so the Department anticipates working with the Department of Administrative Services (DAS) to establish a statewide price agreement for this work. The Department anticipates being assessed a fee of \$20,000 by DAS for this agreement in the 2011-13 biennium. DLCD will also need a part-time Procurement Specialist to coordinate program administration and payments to contractors. Expenditures associated with personal services and services and supplies are estimated at \$31,604 per biennium. After consulting with the Department of Agriculture, DLCD has estimated that they will receive approximately 100 requests for soil assessments per year, and the contracted price is estimated at \$5,000 per soil assessment. Based on these assumptions, expenditures associated with contract services will be \$1 million per biennium. Total expenditures to implement the bill are estimated at \$1,031,604 per biennium, excluding the one-time expenditure for the DAS service agreement. DLCD indicates that they will use

existing resources to cover program start-up costs and rulemaking. Expenditures are less for the 2009-11 biennium because of the January 1, 2010 effective date.

DLCD anticipates that the fee for services will be set at a rate that enables the Department to cover the costs of the program. Based on the estimates provided, the fee would need to be approximately \$5,200 per assessment for the program to be self-sustaining. Under this assumption, Other Funds fee revenues will be \$780,000 in 2009-11 and \$1,040,000 in the 2011-13 biennia. A small reserve will be created during the 2009-11 beinnium to ensure there are sufficient funds to cover the one-time expenditure of \$20,000 for the service agreement.