

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

MEASURE NUMBER: HB 2904 **STATUS:** B-Engrossed
SUBJECT: Remediation plans for farm parcels
GOVERNMENT UNIT AFFECTED: Department of Revenue, Department of Higher Education and Counties
PREPARED BY: Dawn Farr, Erica Kleiner
REVIEWED BY: Paul Siebert and Laurie Byerly
DATE: June 18, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See comments		

REVENUES:
See Legislative Revenue Impact Statement

EFFECTIVE DATE: 91st day after sine die.

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 establishes definitions and processes related to remediation plans; establishes that implementing a remediation plan is a condition for meeting definition of “farm use”; establishes conditions for disqualification of remediation plans; directs the Director of the Department of Revenue to adopt rules necessary for administration of farm use special assessment pursuant to a remediation plan; allows Director of the OSU Extension Service to establish by rule fees in an amount necessary to reimburse the Extension Services for the costs of certifying plans; and exempts certain real property building, structure or improvement from ad valorem property taxation if it meets certain conditions.

The Department of Revenue indicates that the rulemaking is a component of their agency’s normal business practices so this activity can be assumed with existing resources.

The Department of Higher Education’s (DHED) Oregon State University (OSU) Extension Services indicates that the remediation certification process resulting from the bill will require additional work. The number of cases and amount of additional work is not known at this time. Services provided by OSU faculty through the Extension Services are often funded by grants or other federal funds; and, some services are provided on a fee for service basis. Depending on the nature of cases that emerge as a result of the bill, OSU may establish fees to cover certification of remediation plans. The timing and amount of these potential Other Fund revenues and related expenses are not known at this time but is generally anticipated to be minimal.

The Association of Oregon Counties indicates that they don’t anticipate a fiscal impact as a result of the bill.