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

MEASURE NUMBER: SB 103 STATUS: A Engrossed

**SUBJECT:** Fees structure for air contamination sources

**GOVERNMENT UNIT AFFECTED:** Department of Environmental Quality

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

**DATE:** April 15, 2009

<u>2009-2011</u> <u>2011-2013</u>

## **EXPENDITURES:**

See Comments.

## **REVENUES:**

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 bill allows the Environmental Quality Commission to establish a schedule of fees for registration, reporting, or both for any class of air contamination sources required to have a permit; requires that the fee be based on the anticipated cost of developing and implementing registration and reporting programs; and allows the EQC to adopt rules before the January 1, 2010 operative date.

The Department of Environmental Quality (DEQ) indicates the bill will have an indeterminate fiscal impact on the department. DEQ currently has authority to permit sources and charge a fee and authority to register sources, however, the department does not have authority to charge a fee for registration. The Environmental Protection Agency (EPA) has adopted new regulations that will require several thousand small Oregon businesses, such as auto body shops, to now get a permit from DEQ. Further, as DEQ establishes reporting requirements for Green House Gases beyond what will be required under Title V permitted sources (beginning in 2011), a new system for reporting will need to be developed. The bill would allow DEQ to establish registration or reporting fees as an alternative to obtaining a permit, in some cases. The bill requires that any fees established be based on costs to develop and implement registration and/or reporting program. DEQ anticipates that registration process will result in lower revenues and related expenditures than a traditional permitting process; however, the amount of reductions is indeterminate until programs are selected and the potential universe of participants is identified.