

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 79 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Requires Environmental Quality Commission to establish greenhouse gas emissions fees for sources subject to federal operating permit program.

Government Unit(s) Affected:

Department of Environmental Quality (DEQ)

Summary of Expenditure Impact: See Analysis

Summary of Revenue Impact:

	2011-13 Biennium	2013-15 Biennium
Other Funds	\$242,452	\$242,452

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 measure requires the Department of Environmental Quality to establish greenhouse gas emissions fees for sources that are subject to the Title V program of the federal Clean Air Act. The Clean Air Act requires that the Title V program be funded by permit fees. The measure establishes a \$4,100 base fee for all sources subject to Title V and an annual fee of \$4,000 for sources subject to the Title V program due to greenhouse gas emissions and not any other regulated pollutants and \$600 for sources subject to Title V program due to greenhouse gas emissions and the emissions of other regulated pollutants. The -1 amendment modifies the definition of "greenhouse gas".

The Department currently regulates approximately 120 major industrial sources through a Title V permit. The Department estimates approximately 20 current Title V sources will be subject to the \$600 fee for greenhouse gas emissions, and approximately 7 new sources would be subject to the \$4,000 annual fee and the initial base fee of \$4,100. The Department would generate approximately \$242,452 in revenue for 2011-13 and the same in 2013-15. The Department notes that by statute, the fees are adjusted annually by the percentage that the Consumer Price Index increases over the previous 12-month period.

The additional revenue from this measure is used to fund a policy package in the agency's budget to establish a permanent full-time Environmental Engineer 3 position that will allow the Department to administer the reporting, compliance, and enforcement activities. The Department estimates \$175,946 in personal services costs for the position and \$25,000 in services in supplies in 2011-13.