

## FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: SB 945-A  
MINORITY REPORT

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### Measure Description:

Prohibits manufacturers from selling or offering for sale, and other specified persons from knowingly selling or offering for sale, brake friction material or motor vehicles or trailers with brake friction material containing specific amounts of certain fibers or elements that are hazardous when released into state waterways.

### Government Unit(s) Affected:

Department of Environmental Quality, Judicial Department

**Summary of Expenditure Impact:** See Analysis

**Summary of Revenue Impact:** See Analysis

### 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 prohibits manufacturers from using certain specified substances as brake friction material. The measure allows manufacturers to apply to the Department of Environmental Quality (DEQ) for exemptions. The measure allows DEQ to impose civil penalties for violations, not to exceed \$10,000 per violation, but must first issue at least one warning letter. The penalties recovered are paid into the General Fund. The measure allows DEQ to test brake friction materials to verify compliance. The restrictions on these certain substances become operative the day after Legislative Council is notified by DEQ that the Environmental Protection Agency has adopted regulations prohibiting brake friction material stipulated in the measure.

The measure establishes a work group that is directed to identify brake friction material containing certain specified substances and administer a public education campaign regarding the manufacturing, distribution and selling of that material. The work group is directed to report to the Legislative Assembly to an interim committee on or before October 1 of each even-numbered year. The work group meets at the call of the chair or of a majority of the voting members.

The fiscal impact is indeterminate. It is unknown when or if the Environmental Protection Agency will adopt regulations prohibiting brake friction material. Additionally, the measure does not identify a funding source for the work group and does not identify an entity to provide staff support for the work group. DEQ assumes that any work associated with the implementation of the measure will be delayed until 2013-15 in order to pattern any rule making from the State of Washington's similar program.

The Legislative Fiscal Office notes that the measure does not provide a revenue source for the program. DEQ assumes that work would be funded through the toxic program. The civil penalty revenue paid into the General Fund as a result of this measure is indeterminate.

The Judicial Department could have a minimal expenditure impact if a manufacturer files a petition with the Court of Appeals for a judicial review of the imposed civil penalties.