

# House Bill 2779

Sponsored by Representative THATCHER (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires agencies to prepare economic impact statements for rules related to energy and environmental issues. Requires agencies to give notice about and to receive certain data on rules. Prohibits agencies from filing adopted rules related to energy and environmental issues with Secretary of State until after adjournment sine die of regular session during which rules were submitted for review.

Requires agencies to submit rules related to energy and environmental issues to President of Senate and Speaker of House of Representatives. Requires President and Speaker to submit rules to appropriate legislative committee. Specifies contents of economic impact statement.

Makes legislative findings regarding climate accountability. Requires agencies to provide certain information regarding reduction of greenhouse gas emissions. Requires Secretary of State to audit agencies regarding reduction of greenhouse gas emissions.

## A BILL FOR AN ACT

1  
2 Relating to agencies.

3 **Be It Enacted by the People of the State of Oregon:**

### 4 5 **ECONOMIC IMPACT STATEMENT FOR RULES** 6 **RELATED TO ENERGY AND ENVIRONMENTAL ISSUES** 7

8 **SECTION 1. Short title. Sections 1 to 5 of this 2011 Act shall be known and may be cited**  
9 **as the "Economic Impact Statement Act."**

10 **SECTION 2. Economic impact statement required for rules. (1) As used in sections 1 to**  
11 **5 of this 2011 Act, "agency" and "rule" have the meanings given those terms in ORS 183.310.**

12 **(2) Each agency shall prepare an economic impact statement for all rules related to en-**  
13 **ergy and environmental issues and post the statement on the agency's website.**

14 **(3) Prior to the review by the Legislative Assembly pursuant to section 3 of this 2011 Act,**  
15 **each agency shall:**

16 **(a) Give notice on the agency's website of a public hearing during which the agency may**  
17 **receive oral or written data, views or arguments from persons interested in the rule;**

18 **(b) Consider all oral and written submissions regarding the rule; and**

19 **(c) Include a copy of all written submissions and departmental responses in the economic**  
20 **impact statement for the rule.**

21 **SECTION 3. Legislative review. (1) An agency may not file an adopted rule described in**  
22 **section 2 (2) of this 2011 Act with the Secretary of State under ORS 183.355 until after**  
23 **adjournment sine die of the regular session of the Legislative Assembly during which the**  
24 **agency submitted the rule for review pursuant to subsection (2) of this section.**

25 **(2)(a) In addition to all of the requirements of ORS chapter 183, all rules related to en-**  
26 **ergy and environmental issues shall be submitted to the Legislative Assembly for review.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) To initiate the review process, an agency shall file with the President of the Senate  
2 and the Speaker of the House of Representatives:

3 (A) A copy of the rule;

4 (B) A brief synopsis of the content of the rule; and

5 (C) A copy of the economic impact statement prepared by the agency pursuant to section  
6 2 of this 2011 Act.

7 (3) Upon receipt of a request, the President of the Senate and the Speaker of the House  
8 of Representatives shall submit the rule for review to the appropriate legislative committee.  
9 A copy of the rule must be provided to each member of the legislative committee.

10 **SECTION 4. Contents of economic impact statement.** (1) An economic impact statement  
11 described in section 2 (2) of this 2011 Act must detail both short-term and long-term eco-  
12 nomic effects of the rule and must include the following information:

13 (a) A description of the rule and the purpose of, legal authority for and plan for imple-  
14 menting the rule;

15 (b) A determination of the need for and benefit of the rule;

16 (c) A determination that the rule is the most cost-effective method for achieving the  
17 stated purpose;

18 (d) A determination that the rule represents the most efficient allocation of public and  
19 private resources to achieve the stated purpose;

20 (e) The source of revenue to be used for implementing and enforcing the rule;

21 (f) A determination of the probable result of the rule in terms of the number of public  
22 and private jobs that will be created, retained or eliminated;

23 (g) A determination of the relative impact of the rule on firms of differing sizes;

24 (h) A determination of the effect of the rule on competition within this state, with other  
25 states, within the region and within the global marketplace;

26 (i) A determination of the effect of the rule on the state tax base;

27 (j) A determination of the effect of the rule on the cost of living in this state;

28 (k) An estimate of the costs of the rule to the state and its political subdivisions, in-  
29 cluding a description of any revenues that may be lost and any increase or decrease in costs;  
30 and

31 (L) A conclusion as to the economic impact of the rule on all persons substantially af-  
32 fected by the rule, including an analysis containing a description of which persons will bear  
33 the costs of the rule and which persons will benefit directly and indirectly from the rule.

34 (2) An economic impact statement that omits any information required by subsection (1)  
35 of this section must specifically note the omission, the reason for the omission, the impor-  
36 tance of any relevant information omitted in relationship to a complete and realistic as-  
37 sessment of the economic impact of the rule and the additional time and effort required to  
38 obtain any information needed for the assessment.

39 **SECTION 5. Availability of economic impact statement.** When an agency posts an eco-  
40 nomic impact statement for a rule on the agency's website pursuant to section 2 of this 2011  
41 Act, the agency must also provide each member of the Legislative Assembly with a written  
42 copy of the economic impact statement.

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44 **AGENCY CLIMATE ACCOUNTABILITY**  
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**SECTION 6. Legislative findings.** The Legislative Assembly finds that:

(1) In order to increase efficiency in the use of scarce resources, the State of Oregon must receive the greatest possible return on the environmental investments that it makes. Projects that do not return the expected environmental benefits waste not only the funds given to the project, but also prevent funding from being available for projects that would have a positive environmental impact.

(2) Reliable information and accountability are critical to ensuring that environmental projects are effective. By setting clear goals, the state can determine which projects best promote environmental sustainability and hold agencies and contractors accountable if those goals are not met.

(3) By promoting climate accountability, the state can make the most of its resources in the effort to reduce greenhouse gas emissions and promote energy efficiency.

**SECTION 7. Definitions.** As used in sections 6 to 9 of this 2011 Act:

(1) "Agency" has the meaning given that term in ORS 183.310.

(2) "Certified carbon offsets" means carbon credits as specified in rules adopted by the Environmental Quality Commission.

(3) "Climate expenditure" means any expenditure by an agency that is designed to reduce greenhouse gas emissions.

(4) "CO<sub>2</sub>e" means carbon dioxide equivalent calculated as greenhouse gases normalized to metric tons of carbon dioxide.

**SECTION 8. Assessment of climate priorities.** (1) Prior to implementation of a climate expenditure, an agency shall provide the following information on the agency's website:

- (a) The number of tons of CO<sub>2</sub>e reduced by the climate expenditure;
- (b) The total cost of the climate expenditure; and
- (c) The cost per ton of CO<sub>2</sub>e reduction.

(2) The information about climate expenditures must include the cost per ton of CO<sub>2</sub>e reduction in the performance portion of any contracts entered into by the agency.

**SECTION 9. Climate accountability.** (1) The Secretary of State shall regularly audit agencies to ensure that contracts related to climate expenditures meet performance standards for cost per ton of CO<sub>2</sub>e. If a contractor is not in compliance, the contractor shall:

(a) Provide certified carbon offsets equivalent to the difference between actual emissions reductions and contracted emissions reductions; or

(b) Refund a portion of the contract funds until the cost per ton of CO<sub>2</sub>e reduction meets the benchmark included in the contract.

(2) Agencies managing climate expenditure contracts shall regularly provide reports to the Legislative Assembly outlining the performance of the individual contracts. The reports must include, but are not limited to, information related to:

- (a) The total tons of CO<sub>2</sub>e reduced;
- (b) The total contract amount; and
- (c) The cost per ton of CO<sub>2</sub>e reduced.

**MISCELLANEOUS**

**SECTION 10.** The unit and section captions used in this 2011 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or

1 **express any legislative intent in the enactment of this 2011 Act.**

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