
MEMORANDUM

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To: Natural Resources Subcommittee

From: Paul Siebert, Legislative Fiscal Office
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Date: May 20, 2015

Subject: SB 262A
Work Session Recommendations

SB 262A relates to oil spill contingency funding. The bill increases fees for the oil spill prevention program and expands uses of these monies to include planning and preparedness activities. The oil spill prevention fee was originally implemented in 1993. Program staffing was reduced in 1997. The fees were increased in 2001 and 2007 to support the current level of FTE. Current fees are not sufficient to fund the existing program.

The measure, the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

SB 262A raises the oil spill program revenues by approximately \$276,000 in 2015-17 and \$368,000 per biennium thereafter. This will allow restoration of 0.90 FTE not affordable with current fees and an increase of one full time position. The fee increase and positions are assumed in the Co-Chair budget for the Department of Environmental Quality.

Measure to Full

LFO recommends the measure be moved to the full Joint Committee on Ways and Means.

Motion #1: Move SB 262A to the full committee with a “do pass” recommendation.

Assignment of Carriers

Full: _____
2nd Chamber: _____

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 262 - A**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office**Only Impacts on Original or Engrossed
Versions are Considered Official**Prepared by: Tim Walker
Reviewed by: Paul Siebert
Date: 05/15/2015**Measure Description:**

Increases fees for oil spill prevention program.

Government Unit(s) Affected:

Department of Environmental Quality (DEQ)

Summary of Expenditure Impact:

Other Funds	290,940	386,462
Total Funds	\$290,940	\$386,462
Positions	1	1
FTE	1.35	1.90

Summary of Revenue Impact

	2015-17 Biennium	2017-19 Biennium
Other Funds	276,000	368,000
Total Funds	\$276,000	\$368,000

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: This bill increases fees for the Oil Spill Prevention Program and changes certain reporting requirements. This fee increase is assumed in the agency's budget request and included in Policy Option Package 138.

The fee increase will raise approximately \$276,000 OF in 2015-17 and \$368,000 OF in 2017-19. The additional revenue will be used continue positions used to support the program. It is anticipated the additional revenue will be adequate to support the program until 2019-21.

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date:

Action:

Meeting Dates:

Prepared By: Paul Siebert, Budget Analyst

WHAT THE MEASURE DOES:

Increases fees for oil spill prevention program. Expands uses of moneys in Oil Spillage Control Fund to include planning and preparedness activities. Expands reporting requirements to include the penalties recovered by the department for civil penalties for the willful and negligent discharge of oil and the activities of the Department of Environmental Quality in collecting penalties for oil spills.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The oil spill prevention program is in place, administered by the Department of Environmental Quality. The department is responsible for collecting fees for the program, and civil penalties for oil spills.

A-Engrossed
Senate Bill 262

Ordered by the Senate March 11
Including Senate Amendments dated March 11

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor John A. Kitzhaber, M.D., for Department of Environmental Quality)

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.

Increases fees for oil spill prevention program.
Expands uses of moneys in Oil Spillage Control Fund to include planning and preparedness activities. **Expands certain reporting requirements.**
[Declares emergency, effective on passage.]
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to oil spill contingency funding; amending ORS 468B.405, 468B.412 and 468B.455; and pre-
3 scribing an effective date.

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

5 **SECTION 1.** ORS 468B.405 is amended to read:

6 468B.405. (1) The Department of Environmental Quality shall assess the following fees on cov-
7 ered vessels and offshore and onshore facilities to recover the costs of reviewing the plans and
8 conducting the inspections, exercises, training and activities required under ORS 468B.345 to
9 468B.400:

10 (a) Cargo and passenger vessels, [*\$70*] **\$105** per trip.

11 (b) Nonself-propelled tank vessels:

12 (A) Having a capacity of fewer than 25,000 barrels, [*\$60*] **\$85** per trip.

13 (B) Having a capacity of 25,000 to 99,999 barrels, [*\$70*] **\$110** per trip.

14 (C) Having a capacity of 100,000 or more barrels, [*\$100*] **\$250** per trip.

15 (c) Self-propelled tank vessels of 300 gross tons or less, [*\$60*] **\$85** per trip.

16 (d) Self-propelled tank vessels over 300 gross tons, [*\$1,200*] **\$2,100** per trip.

17 (e) Offshore and onshore facilities, [*\$5,900*] **\$9,250** per year.

18 (f) Dredge vessels, [*\$36*] **\$50** per day when operating in the navigable waters of the state.

19 (2) Moneys collected under this section shall be deposited in the State Treasury to the credit
20 of the Oil Spill Prevention Fund established under ORS 468B.410.

21 (3) As used in this section, "trip" means travel to the appointed destination and return travel
22 to the point of origin within the navigable waters of this state. For the purpose of assessing trip fees
23 under this section, self-propelled tank vessels transiting the navigable waters of this state in ballast
24 shall be considered cargo vessels.

25 **SECTION 2.** ORS 468B.455 is amended to read:

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 468B.455. (1) There is established an Oil Spillage Control Fund, separate and distinct from the
2 General Fund. This account shall be a revolving fund, the interest of which shall be credited to the
3 Oil Spillage Control Fund.

4 (2) All penalties recovered under ORS 468B.450 (1) shall be paid into the Oil Spillage Control
5 Fund. Such moneys are continuously appropriated to the Department of Environmental Quality [*for*
6 *the advancement of costs incurred in carrying out cleanup activities and for the rehabilitation of af-*
7 *ected fish and wildlife as provided under ORS 468B.060.*] **for:**

8 (a) **Advancing costs incurred in carrying out cleanup activities;**

9 (b) **Reviewing contingency plans submitted to the department pursuant to ORS 468B.360;**

10 (c) **Conducting training, response exercises, inspections and tests in order to verify**
11 **equipment inventories and ability to prevent and respond to oil release emergencies and**
12 **undertaking other activities intended to verify or establish the preparedness of the state, a**
13 **municipality or a party required by ORS 468B.345 to 468B.415 to have an approved contin-**
14 **gency plan to act in accordance with that plan;**

15 (d) **Verifying or establishing proof of financial responsibility required by ORS 468B.390;**

16 (e) **Reviewing and revising the oil spill response plan required by ORS 468B.495 and**
17 **468B.500; and**

18 (f) **Restoring fish and wildlife production, including habitat restoration, as provided under**
19 **ORS 468B.060.**

20 (3) With the approval of the Environmental Quality Commission, the moneys in the Oil Spillage
21 Control Fund may be invested as provided by ORS 293.701 to 293.857, and earnings from such in-
22 vestment shall be credited to the fund.

23 (4) The Oil Spillage Control Fund shall not be used for any purpose other than that for which
24 the fund was created.

25 **SECTION 3.** ORS 468B.412 is amended to read:

26 468B.412. (1) By September 30 of each year, [*beginning in 2008,*] the Department of Environ-
27 mental Quality shall publish a report for the previous fiscal year, commencing on July 1 and ending
28 on June 30, that addresses:

29 (a) The fees assessed under ORS 468B.405 on covered vessels and offshore and onshore facilities;
30 [*and*]

31 (b) The activities of the department under ORS 468B.410 (4);

32 (c) **The penalties recovered by the department under ORS 468B.450 (1); and**

33 (d) **The activities of the department under ORS 468B.455 (2).**

34 (2)(a) The report published by the department under this section must be in a format that allows
35 for the monitoring of fee collection and related activities by the department and for ensuring that
36 adequate but not excessive fees are collected to meet the department's budgetary needs.

37 (b) The department shall make the report available to those who paid fees under ORS 468B.405
38 and to the general public.

39 **SECTION 4. This 2015 Act takes effect on the 91st day after the date on which the 2015**
40 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**