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# MEMORANDUM

Legislative Fiscal Office  
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**To:** Natural Resources Subcommittee

**From:** Paul Siebert, Legislative Fiscal Office  
(503) 986-1843

**Date:** May 20, 2015

**Subject:** HB 3522A  
Work Session Recommendations

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HB 3522A relates to water quality permit fees. It allows the Environmental Quality Commission to increase water quality permit fees beyond statutory caps if the larger increase in fees is provided for in Department of Environmental Quality's legislatively approved budget.

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).

HB 3522A is assumed in the Co-Chair budget for DEQ and is needed to fully fund the wastewater permitting proposal in the agency's budget request for 2015-17.

## **Measure to Full**

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

**Motion #1: Move HB 3522A to the full committee with a "do pass" recommendation.**

## **Assignment of Carriers**

Full: \_\_\_\_\_  
2nd Chamber: \_\_\_\_\_

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 3522 A**

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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Prepared by: Tim Walker  
Reviewed by: Paul Siebert  
Date: 04/17/2015

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**Measure Description:**

Specifies that Environmental Quality Commission may increase water quality permit fees by greater amount than provided for in statute if greater amount is legislatively approved.

**Government Unit(s) Affected:**

Department of Environmental Quality (DEQ)

**Summary of Expenditure 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:** This bill will allow the Department of Environmental Quality to increase water quality permit fees more than three percent in a calendar year if provided for in DEQ's legislatively approved budget.

This change is necessary to accommodate fee increases included in the agency's budget request to the Legislature and will generate approximately \$724,000 Other Funds revenue.

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

**Fiscal:** Fiscal impact issued

**Revenue:** No Revenue Impact

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**Action Date:**

**Action:**

**Meeting Dates:**

**Prepared By:** Paul Siebert, Budget Analyst

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**WHAT THE MEASURE DOES:**

Allows Environmental Quality Commission to increase water quality permit fees in amount exceeding anticipated increase in cost of administering program or three percent if larger increase is provided for in Department of Environmental Quality's legislatively approved budget.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

The federal Environmental Protection Agency has delegated authority to the Oregon Department of Environmental Quality (DEQ) to operate the federal Clean Water Act in Oregon. DEQ's wastewater management program regulates and minimizes adverse impacts of pollution on Oregon's waters from point sources of pollution. Currently, the Environmental Quality Commission has the authority, not more than once each calendar year, to increase water quality permit fees in an amount not to exceed the anticipated increase in the cost of administering the permit program or three percent, whichever is less. House Bill 3522A would authorize a larger fee increase if the increase is provided for in DEQ's legislatively approved budget.

**A-Engrossed**  
**House Bill 3522**

Ordered by the House April 20  
Including House Amendments dated April 20

Sponsored by Representative VEGA PEDERSON (at the request of 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.

Specifies that Environmental Quality Commission may increase water quality permit fees by greater amount than provided for in statute if greater amount is *[legislatively approved]* **provided for in Department of Environmental Quality's legislatively approved budget.**

**A BILL FOR AN ACT**

1  
2 Relating to water quality permit fees; amending ORS 468B.051.

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

4 **SECTION 1.** ORS 468B.051 is amended to read:

5 468B.051. Not more than once each calendar year, the Environmental Quality Commission may  
6 increase the fees established under ORS 468.065 for permits issued under ORS 468B.050. The amount  
7 of the annual increase may not exceed the anticipated increase in the cost of administering the  
8 permit program or three percent, whichever is lower, **unless a larger increase is provided for in**  
9 **the Department of Environmental Quality's legislatively approved budget.**

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**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.