

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 705 – A5**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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**Measure Description:**

Directs Oregon Health Authority to study and report on demolition of residential structures that have been painted with lead-based paint or insulated with asbestos and risks to public health associated with such demolitions.

**Government Unit(s) Affected:**

Department of Environmental Quality

**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:**

Senate Bill 705 with the – A5 amendment directs the Environmental Quality Commission to adopt rules prohibiting the demolition of a residence or residential building unless an asbestos survey has been conducted by an accredited inspector. The requirement becomes operative on January 1, 2016.

The Department of Environmental Quality (DEQ) reports that currently, residences are exempt from the survey requirement. This bill would remove this exemption, requiring a contractor to survey a residence prior to demolition. If asbestos is found, contractors must notify DEQ, and pay a notification fee of \$100. DEQ estimates that 650 additional notifications per year increasing annual revenues by \$65,000 a year. With additional revenue starting January 1, 2016, DEQ estimates additional revenue to be \$97,000 for the 2015-2017 biennium, and \$130,000 for the 2017-19 biennium.

The fiscal impact of this bill on DEQ is estimated at \$110,092 Other Funds and 0.50 FTE for the 2015-17 biennium and the 2017-19 biennium. If this bill passes, DEQ would work with stakeholders and initiate a temporary rule to meet the January 1, 2016 implementation date followed by the permanent rule making. Because of the tight deadline, DEQ would need a half-time Natural Resource Specialist 3 position to do the initial rules and then transition into residential asbestos inspection. The existing asbestos fund could support the new position until additional notification fee revenues are collected.