

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 705 – A7**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 (DEQ)

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 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 – A7 amendment specifies that this requirement does not apply to a residence or residential building constructed on or after the date established by the Environmental Quality Commission by rule. The – A7 does not change the fiscal determination.

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.