

Senate Committee On Environment and Natural Resources

<b>Fiscal:</b>	Fiscal impact issued
<b>Revenue:</b>	Revenue impact issued
<b>Action Date:</b>	03/09/15
<b>Action:</b>	Do Pass With Amendments. Refer To Finance And Revenue By Prior Reference (Printed A-Eng).
<b>Meeting Dates:</b>	02/18, 03/09
<b>Vote:</b>	Yeas: 5 - Dembrow, Edwards, Olsen, Prozanski, Thomsen
<b>Prepared By:</b>	Beth Reiley, Committee Administrator

**WHAT THE MEASURE DOES:**

Raises oil spill prevention fee for: cargo and passenger vessels to \$105 from \$70; non-self-propelled tank vessels with capacity fewer than 25,000 barrels to \$85 from \$60, capacity of 25,000 to 99,999 barrels to \$110 from \$70, and for capacity of 100,000 or more barrels to \$250 from \$100; self-propelled tank vessels of 300 gross tons or less to \$85 from \$60; self-propelled tank vessels over 300 gross tons to \$2,100 from \$1,200; offshore and onshore facilities to \$9,250 from \$5,900; and dredge vessels to \$50 from \$36. Expands use of Oil Spillage Control Fund to include reviewing contingency plans; conducting trainings, response exercises, inspections and tests; verifying proof of financial responsibility; and reviewing oil spill response plan. Requires Department of Environmental Quality (DEQ) to report on penalties recovered for willfully or negligently discharging oil into waters of state and DEQ's use of Oil Spillage Control Fund. Takes effect on 91<sup>st</sup> day after sine die.

**ISSUES DISCUSSED:**

- Fee last increased in 2007
- Operating expenses of Department of Environmental Quality oil spill program staff
- Projected number of vessels

**EFFECT OF COMMITTEE AMENDMENT:**

Requires Department of Environmental Quality (DEQ) to report on penalties recovered for willfully or negligently discharging oil into waters of state and DEQ's use of Oil Spillage Control Fund. Takes effect on 91<sup>st</sup> day after sine die.

**BACKGROUND:**

The Oregon Legislature passed the Oil Spill Prevention Act in 1991. This Act directed the Department of Environmental Quality (DEQ) to develop rules to provide for the prevention, preparedness and response to oil spills from large facilities, vessels and petroleum transportation industries. DEQ's responsibilities under the state's statutes on oil spill contingency planning are to ensure all regulated vessels and facilities have prepared oil spill contingency plans and that those plans meet requirements specific to protecting navigable waterways of Oregon, and to verify that equipment listed in oil spill contingency plans is available and adequately maintained; that personnel listed in the plans are trained; and that drills and exercises are conducted. DEQ reviews approximately 25 individual industry response plans on a five-year cycle. Vessels and facilities that handle large volumes of petroleum products must submit these plans, which list specific procedures to respond quickly and efficiently to spills. The Oil Spillage Control Fund (Fund) can be used for two purposes: cleanup and rehabilitation activities relating to oil spills and to be invested for the purpose of generating income for fund.

Senate Bill 262 A increases the fees for the oil spill prevention program and expands the use of money in the Fund to include planning and preparedness activities.