

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2209 - 9

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

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

Prepared by: Krista Dauenhauer
Reviewed by: Matt Stayner, John Borden, Ken Rocco, Julie Neburka, Gregory Jolivette, John Terpening
Date: 3/28/2019

Measure Description:

Requires railroads that own or operate high hazard train routes to have oil spill contingency plans that have been approved by Department of Environmental Quality.

Government Unit(s) Affected:

Counties, Department of Land Conservation and Development (DLCD), Oregon Military Department (OMD), Department of Revenue (DOR), Department of Environmental Quality (DEQ), Cities, Department of Fish and Wildlife (ODFW), Special Districts, Oregon State Police (OSP), Oregon Department of Transportation (ODOT)

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Veterans and Emergency Preparedness to the Joint Committee on Ways and Means.

The legislation requires railroads that own or operate a high hazard train route, as defined by the legislation, to have an oil spill prevention and emergency response plan approved by the Department of Environmental Quality (DEQ). The plan must include a contingency response and financial responsibility statement. Once a railroad begins to operate on a high hazard train route, they must notify DEQ, in a manner prescribed by the bill, that the railroad has commenced operation on the route. Within 90 days, unless a different agreement is made with DEQ, a plan must be submitted, and the plan must be renewed at least once every five years. Failure to submit a plan does not preclude a railroad from operating on a high hazard train route. The legislation specifies the information that must be included in the contingency plan, and the plan could contemplate some level of railroad participation in Oregon State Fire Marshal spill/release exercises. Before approving, DEQ must provide copies of the contingency plan to the following entities for review: State Department of Fish and Wildlife, office of the State Fire Marshal, Department of Land Conservation and Development, and federally recognized Indian tribes that could be impacted by an oil discharge along any portion of the high hazard train route.

The High Hazard Train Route Oil Spill Preparedness Fund is established within the State Treasury, and moneys in the fund are continuously appropriated to DEQ and may not be used to pay for costs which are funded by the Oil Spill Prevention Fund. Each Class I railroad that is required to submit a contingency plan must pay a fee.

Further Analysis Required

The owner of oil transported by railroad must pay the Department of Revenue (DOR) a fee not to exceed \$20 for each car; payment must be remitted on a quarterly basis. DEQ and office of the State Fire Marshal must both establish the fee amount by rule. The fees will be deposited into a suspense account at DOR, and after DOR has garnished administration costs, the fee revenue shall be transferred to both the High Hazard Train Route Oil Spill Preparedness Fund and the Oil and Hazardous Material Transportation by Rail Action Fund; the revenue split between funds will be determined by rule. DOR is authorized to conduct audits of fee payors and provide enforcement activity. Any moneys remaining in the Funds on the date of repeal of this legislation must be refunded to the payors without interest.

This legislation corresponds with *Policy Option Package (POP) # 133-Safe Transport* within the DEQ 2019-21 proposed budget (HB 5017). Furthermore, there will be a fiscal impact to the office of the State Fire Marshal associated with statewide training and tabletop exercises. A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Ways and Means.

Further Analysis Required