

**Legislative
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**Joint Committee on
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Human Services Subcommittee

From: Tom MacDonald, Legislative Fiscal Office

Date: May 28, 2019

Subject: SB 27 – Relating to Oregon Drinking Water Quality Act Fees
Work Session Recommendations

Senate Bill 27 revises the fee authority of the Drinking Water Services program within the Oregon Health Authority (OHA) to support the regulation of public drinking water systems in Oregon. The proposed changes would generate an estimated \$1,853,297 in additional fee revenue in the 2019-21 biennium, which OHA would use to fund five new positions in the Drinking Water Services program to regulate public water systems and to increase the regulatory capacity of local public health authorities.

Currently, OHA is authorized to assess fees on public water suppliers to support the cost of conducting sanitary surveys of drinking water systems and sources. These fees range from \$450 to \$7,200 depending on the number of water connections and whether the water is treated or untreated. Senate Bill 27 eliminates the authority to charge a sanitary fee and replaces it with the authority to charge an annual regulatory fee based on the size and type of water system.

As with the current sanitary survey fee, the new regulatory fee would be developed through the administrative rules process and is expected to range from \$75 to \$65,000 depending on the number of water connections. The bill prohibits OHA from increasing the fees more than once per year. If approved, the corresponding increase in Other Funds expenditure limitation and position authority would be included in OHA's 2019-21 budget bill (SB 5525), which was requested by the agency as part of Policy Option Package 418.

The Senate Committee on Health Care previously held hearings on this measure on January 23, 2019 and February 11, 2019, and reported the bill with a do pass recommendation.

Recommended Changes

- **-A2 Amendment:** Establishes an emergency clause with a July 1, 2019 effective date.

Recommended Amendments

LFO recommends adoption of the -A2 amendment.

MOTION: I move adoption of the -A2 amendment to SB 27 (VOTE)

Final Subcommittee Action

LFO recommends that SB 27 as amended by the -A2 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 27, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____