

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1564 - 2

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Establishes product stewardship program for mattresses.

Government Unit(s) Affected:

Department of Justice (DOJ), Department of Environmental Quality (DEQ)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

Agency and Fund Type	2019-21 Biennium	2021-23 Biennium
Department of Environmental Quality - Other Funds	\$107,886	\$215,772
Positions	1	1
FTE	0.50	1.00

Analysis:

SB 1564 - 2 establishes a program to collect and manage discarded mattresses. The program is to be run by a stewardship organization, with oversight from the Department of Environmental Quality (DEQ). DEQ will be advised by a mattress stewardship program advisory committee. To administer this program DEQ will:

- Approve a stewardship organization’s plan for the discarded mattress program;
- Approve a fee that will be charged by mattress retailers when a mattress is sold, and transmitted to the stewardship organization to cover the costs of the discarded mattress program;
- Establish an annual fee that will be paid by the stewardship organization to cover the costs to administer, implement, and enforce the program;
- Review and approve reports and any plan changes submitted by the stewardship organization; and
- Investigate program violations and adopt rules to administer this act.

DEQ anticipates needing a permanent full-time Operations and Policy Analyst 2 position (0.50 FTE in 2019-21, 1.00 FTE in 2021-23) to oversee program activities. The total cost of this position, including associated Services and Supplies is \$107,886 Other Funds in 2019-21 and \$215,772 Other Funds in 2021-23, plus any indirect cost changes. There is a minimal fiscal impact on the Department of Justice.

While the program is intended to be self-supporting based on an annual fee paid by stewardship organizations, this fee will not be charged until a stewardship organization plan is approved, likely in 2022. It is assumed existing Solid Waste Tipping Fees will cover program costs for the remainder of the 2019-21 and early part of the 2021-23 biennium and that this fund will be reimbursed once the stewardship organization begins making fee payments. Fee payments are held in a newly-established Mattress Stewardship Fund, which is separate and distinct from the General Fund, and continuously appropriated to DEQ for the purpose of carrying out this act.

The Legislative Fiscal Office notes that the measure requires referral to the Joint Committee on Ways and Means for necessary adjustments of expenditure limitation and position authority related to creating this new program.