

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1602 - 1

80th Oregon Legislative Assembly – 2020 1st Special Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Haylee Morse-Miller
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Date: June 24, 2020**Measure Description:**

Requires Governor to facilitate mediation sessions between forest industry and environmental interest representatives.

Government Unit(s) Affected:

Oregon Department of Agriculture (ODA), Department of Forestry (ODF), Department of Environmental Quality (DEQ), Office of the Governor, Water Resources Department (WRD)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

| | 2019-21 Biennium | 2021-23 Biennium |
|--|--------------------|------------------|
| Office of the Governor - General Fund | \$175,000 | \$75,000 |
| Oregon Department of Forestry - General Fund | 844,545 | 206,614 |
| Oregon Department of Forestry - Other Funds | 70,362 | 137,743 |
| Total Funds | \$1,089,907 | \$419,357 |
| Positions | 2 | 2 |
| FTE | 0.84 | 1.25 |

Analysis:

SB 1602 - 1 sets forward requirements for mediation sessions, and outlines a variety of regulations related to notifications for pesticide application. This bill declares an emergency and is effective upon passage.

The 2019-21 funding associated with this measure will be addressed in a special session omnibus budget measure.

Office of the Governor

This measure requires the Governor to hold mediation sessions between representatives of the forest industry and environmental interests in accordance with a Memorandum of Understanding announced by the Governor on February 10, 2020. The goal of these mediation sessions is to evaluate and recommend changes to the Oregon Forest Practices Act laws to advance attainment of federal regulatory assurance for aquatic and riparian-dependent species. A joint informational hearing about the mediation sessions is to be held during the 2021 Legislative session.

The Governor's Office estimates that the total cost of the mediation sessions will be \$175,000 General Fund in 2019-21, and \$75,000 General Fund in 2021-23. These costs are largely related to hiring a mediator.

Oregon Department of Forestry

The second portion of the measure relates to notifications for pesticide application. A person may register with the Oregon Department of Forestry (ODF) to receive notices of applications of pesticides by helicopter to forestland near the person's residence, or near a water intake they use. ODF is to be notified by operators, timber owners, or landowners who propose to conduct a pesticide application by helicopter to forestland. These entities must also notify ODF if the pesticide application is completed. ODF must notify nearby residents of scheduled pesticide applications. ODF is to develop a system to allow messages to persons near pesticide application sites. This portion of the measure applies to pesticide applications occurring on or after July 1, 2021, or later if the Office of the State Chief Information Officer (OSCIO) gives notice that the ODF reporting system is not yet able to carry out the reporting requirements of this act.

The measure also sets limits for pesticide application by helicopter to forestland when application is near certain geographic features or structures. This applies to pesticide applications made on or after January 1, 2021.

Further, ODF and the Water Resources Department (WRD) are directed to submit a report to the Legislative Assembly during the 2022 Regular Session that outlines needed resources to fully inventory the number of points of diversion for water use qualifying for a spray buffer.

Total costs of implementation are estimated at \$844,545 General Fund and \$70,362 Other Funds in 2019-21; and \$206,614 General Fund and \$137,743 Other Funds in 2021-23. Other Funds are derived from the agency's Harvest Tax, which will be used to cover 40 percent of Personal Services and position-related Services and Supplies costs.

ODF anticipates hiring two positions, a limited duration full-time Project Manager 3 (PM 3, 0.42 FTE in 2019-21, 0.25 FTE in 2021-23), and a permanent full-time Operations and Policy Analyst 2 (OPA 2, 0.42 FTE in 2019-21, 1.00 FTE in 2021-23). The PM 3 would oversee work on the agency's Forest Activity Electronic Reporting and Notification System (FERNS). The OPA 2 would administer the pesticide application program requirements, such as verifying information submitted by residents and water use recipients and administering civil penalties. Total Personal Services costs are estimated at \$99,545 General Fund and \$66,362 Other Funds in 2019-21, and \$140,614 General Fund and \$93,743 Other Funds in 2021-23.

Services and Supplies costs are estimated at \$745,000 General Fund and \$4,000 Other Funds in 2019-21. This includes an estimated \$739,000 General Fund for FERNS functionality as well as position-related Services and Supplies.

Services and Supplies costs in 2021-23 are estimated at \$66,000 General Fund and \$44,000 Other Funds, which includes \$100,000 for ongoing maintenance and updates to FERNS, and position-related Services and Supplies.

The Legislative Fiscal Office (LFO) notes that modifications to FERNS must follow existing OSCIO and LFO IT investment policies and procedures.

Other agencies

This measure is anticipated to have minimal impact on WRD, the Oregon Department of Agriculture, and the Department of Environmental Quality.