

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2955 - 2

81st Oregon Legislative Assembly – 2021 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 household hazardous waste.

Government Unit(s) Affected:

Counties, Metro, Oregon Department of Agriculture (ODA), Cities, Department of Environmental Quality (DEQ), Special Districts, Oregon Judicial Department (OJD), Department of Justice (DOJ)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

| | 2021-23 Biennium | 2023-25 Biennium |
|--------------------|-------------------------|-------------------------|
| Other Funds | 350,914 | 226,420 |
| Total Funds | \$350,914 | \$226,420 |
| Positions | 2 | 1 |
| FTE | 1.50 | 1.00 |

Analysis:

HB 2955 - 2 creates a system for manufacturers of household products that contain hazardous substances to collect and manage hazardous waste. A stewardship organization, which is a legal entity designated by a manufacturer or group of manufacturers to implement a household hazardous waste stewardship program, must submit a plan to the Department of Environmental Quality (DEQ) every four years for the development and implementation of a household hazardous waste stewardship program; and must report to DEQ on the implementation of the plan each year. The stewardship organization must also register with DEQ annually, and DEQ must report biennially to the Legislative Assembly on the operation of the statewide system for the environmentally sound management of covered products.

A plan submitted by a stewardship organization must include various operational and budgetary information. The program must plan to coordinate with an approved statewide architectural paint stewardship program described in ORS 459A.820 to 459A.855 and any other stewardship organizations in the state.

DEQ is to adopt an annual registration fee by rule that must be paid by a stewardship organization. The fee must cover the costs of administering, implementing, and enforcing the measure. Fee revenue is to be deposited in the Household Hazardous Waste Stewardship Fund, which is established by this measure. The Fund is separate and distinct from the General Fund with moneys continuously appropriated to DEQ to carry out this measure. DEQ is also authorized to collect civil penalties for violation of this measure.

The measure is operative January 1, 2022, and initial plans for a household hazardous waste stewardship program must be submitted to DEQ no later than April 1, 2023. The program must be implemented after January 1, 2024. This measure declares an emergency and takes effect on passage.

DEQ would hire one limited-duration, part-time Operations and Policy Analyst 3 (0.50 FTE in 2021-23) for rulemaking and program development activities, and one permanent, full-time Operations and Policy Analyst 2 (1.00 FTE in 2021-23 and 2023-25) to assist with program development and ongoing program oversight. Both positions would be hired as soon as possible in the 2021-23 biennium in order to complete rulemaking and program set-up by the first application deadline of April 1, 2023. Total costs of these positions, including position-related Services and Supplies, are estimated at \$350,914 Other Funds in the 2021-23 biennium, and \$226,420 Other Funds in the 2023-25 biennium.

Because DEQ will not collect fees from stewardship organizations until April 2023, initial program costs would need to be covered through an internal loan from Other Funds revenue collected by the agency's Materials Management Program and then paid back when sufficient fee revenue had been collected through the stewardship program.

Other state agencies

The Oregon Department of Agriculture (ODA) anticipates no impact, unless they are required to determine if this measure is applicable to products registered with ODA. In this case, there may be some minimal additional costs for ODA to modify their product database.

This measure has no or minimal fiscal impact for the Department of Justice, Oregon Judicial Department, Counties, Cities, or Metro.