

FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Measure: HB 2603 - 2

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

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Measure Description:

Requires owners or operators of undersea fiber optic telecommunication cables to obtain financial assurances and create plan for removal of cable.

Government Unit(s) Affected:

Department of Geology and Mineral Industries (DOGAMI), Department of Environmental Quality (DEQ), Department of Fish and Wildlife (ODFW), Department of Land Conservation and Development (DLCD), Department of State Lands (DSL), Oregon Parks and Recreation Department (OPRD), Counties, Cities

Summary of Fiscal Impact:

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

Analysis:

HB 2603 - 2 relates to undersea cables which are used to conduct electricity or light. An applicant for an easement to place an undersea cable must acquire and maintain financial assurance to ensure that the applicant constructs the cable according to the terms of the easement. The amount of the financial assurance is to be determined by the Department of State Lands (DSL). Owners or operators of an undersea cable must also submit a decommissioning plan to DSL at least 180 days before decommissioning the cable. The plan is to include a cost estimate, description, and schedule for decommissioning the cable and restoring the easement area to its natural state, as well as a proposed form of financial assurance equal to the cost estimate. This portion of the measure becomes operative on January 1, 2022, though DSL may take any action before the operative date to enact this measure.

The Ocean Policy Advisory Council, in consultation with the Department of Land Conservation and Development (DLCD), DSL, and local and tribal governments is directed to review and propose amendments to the part of the Territorial Sea Plan that addresses the placement of cables, pipelines, and other utilities in the territorial sea. This is to include an evaluation of permitting, landing sites, fee structures and financing, public engagement, an application process, and interagency and intergovernmental coordination, as well as a review of existing regulations. Recommendations are to be developed no later than two years after the effective date of the act; the effective date is the 91st day after the Legislative Assembly adjourns sine die.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.

Department of Land Conservation and Development

DLCD provides administrative support for the Ocean Policy Advisory Council. DLCD anticipates hiring one full-time, limited duration Planner 3 position (0.88 FTE in 2021-23) at a total cost of \$197,081 General Fund, including position-related Services and Supplies. The Planner 3 will assist the Council with amendments to the Territorial Sea Plan, including the study of the permitting process, cable landing site suitability, and review of zoning requirements and statewide planning goals in relation to undersea cables.

There is an additional indeterminate impact to DLCD related to determining cable landing site suitability. It is estimated that a study of the entire Oregon Coast to determine opportunities, limitations, and requirements for landing sites could cost up to \$300,000 General Fund. However, this cost could be reduced by limiting the geographic areas which are assessed for suitability.

Other state and local agencies

There is no or minimal fiscal impact anticipated for the Department of Geology and Mineral Industries, Department of Environmental Quality, Department of Fish and Wildlife, Department of State Lands, Oregon Parks and Recreation Department, Counties, or Cities. Should any state agencies have a larger than minimal impact as a result of their participation in the work of the Ocean Policy Advisory Council, they may need to return to the Legislative Emergency Board or a subsequent legislative session to request expenditure appropriation and/or limitation in order to comply with the provisions of this measure.