



House Committee on Economic Recovery and Prosperity
RE: HB 2334

Chair Lively and members of the committee,

We, the undersigned, write in opposition to HB 2334 as drafted. HB 2334 would change the current agency process of responding to a finding of cost of compliance to a small business for temporary and permanent rules as written in ORS 183.540. This bill would replace that process with a mandate that the agency apply all options of compliance, including exempting or adopting a less rigorous rule altogether.

Oregon's state agencies currently evaluate the cost of compliance which includes an estimated number and type of small businesses, a description of the required administrative work, identification of equipment and labor required, and discussion of outreach to businesses during rule development. Currently, if a rule is found to have a significant impact, agencies have options in how to tailor a response. This provides flexibility while also maintaining necessary protections. HB 2334, however, would remove the agencies' ability to tailor a response, and instead would require the agency to employ an "all of the above" approach, regardless of whether all options are needed or not. This approach is too broad a brush stroke.

While economic impact is a valuable metric, we do not believe it should solely be the determiner, eclipsing public health, environmental safety, or costs to other sectors. Further, Oregon's agencies have a track record of reviewing and adjusting rules to be more accommodating to businesses. For example, in the drafting process of HB 2007 (2019) small fleets were exempted from the rule to acknowledge potentially significant upfront costs. In another example of agency accommodation, DEQ has delayed air quality fee increases for less complex permit-types to acknowledge smaller businesses.

HB 2334 would hamper state agencies' ability to draft rules that may be necessary for the health, safety, and wellbeing of Oregonians across the state, as well as the sustainability of our natural resources and environment. In fact, there may be instances where the rule is for the protection of public health or natural resources, and must be applied consistently in order to achieve the needed outcomes and goals.

The level of pollution may not correlate to the size of a business. For example, in the case of gas stations and dry cleaners - relatively small businesses - large quantities of toxic chemicals

are present and the potential for adverse impact is high despite their small size. Similarly, rules to promote worker safety, such as those that guard against fatigue around heavy machinery, should be consistent regardless of the number of employees.

Our current processes allow for appropriate consideration and balancing of needs when drafting agency rules.

Thank you for your consideration and we urge a no vote on HB 2334.

Morgan Gratz-Weiser
Oregon Environmental
Council

Julia DeGraw
Oregon League of
Conservation Voters

Kimberley Priestley
WaterWatch of Oregon