

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2531 - 1**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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**Measure Description:**

Prohibits sale or distribution in this state of new screw- or bayonet-base type compact fluorescent lamps on or after January 1, 2024.

**Government Unit(s) Affected:**

Department of Environmental Quality, Judicial Department, Department of Justice, Department of Administrative Services, Secretary of State, Cities, Counties

**Summary of Fiscal Impact:**

Costs related to the measure are indeterminate but anticipated to be absorbable - See analysis.

**Analysis:**

HB 2531 - 1 prohibits sale and distribution of screw- or bayonet-base type compact fluorescent lamps as a new manufactured product starting January 1, 2024; and prohibits the sale and distribution of pin-base type compact fluorescent lamps or linear fluorescent lamps as a new manufactured product starting January 1, 2025, with some exceptions as listed in the measure. The Department of Environmental Quality (DEQ) may adopt rules to enforce this measure and may impose civil penalties of up to \$25,000 per day for each day of violations. The measure further repeals statutes related to mercury in lighting products as of January 1, 2025. The measure takes effect on the 91st day after the Legislature adjourns sine die.

**Department of Administrative Services**

The Department of Administrative Services (DAS) has an indeterminate impact related to this measure. Around 70% of DAS buildings have been retrofitted for LED bulbs, with 20 buildings still requiring retrofits. The agency is scheduled to complete these retrofits by 2031, at an estimated current cost of \$45.2 million. Of this amount, \$5 million is currently available to DAS for retrofits, and an additional \$5 million in funding included in the 2023-25 Governor’s Budget in Policy Option Package 200.

If DAS is unable to retrofit all buildings by the time the prohibitions on fluorescent lamps go into effect, the agency would need to stockpile fluorescent lamps to use until all buildings are retrofitted. This option would increase the agency’s operating costs by an estimated \$86,558 in the 2023-25 biennium, as DAS spends approximately \$21,639 each biennium on fluorescent lamps that would not be available under this measure. Assuming these lamps are available to stockpile at current pricing, these costs are anticipated to be absorbable using existing agency resources.

DAS could also replace fluorescent lamps with LED lamps without a full building retrofit which would incur costs for parts, labor, and maintenance. However, this would increase wattage, and the change of only the fixtures to LED does not include lighting controls and occupancy sensors that are included in a full building retrofit, and that would help decrease energy usage.

DAS notes that the definition of “new manufactured product” is not clear, and if the agency could continue to purchase fluorescent lamps that are not considered “new manufactured products”, they could retrofit buildings to LED under a longer timeline, which would spread retrofitting costs out over several biennia. DAS also notes

that alternatives such as using incandescent bulbs until retrofits are completed is not an option due to Executive Orders and statutory requirements regarding energy efficiency.

**Other agencies**

There is an indeterminate impact for Cities and Counties; minimal impact for DEQ, Oregon Judicial Department, and Department of Justice; and no impact for Secretary of State.