

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 835 - A**

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:**

Directs Environmental Quality Commission to adopt rules authorizing single-family dwelling and accessory dwelling unit constructed on same lot or parcel to be permanently connected to same subsurface sewage disposal system or alternative sewage disposal system.

**Government Unit(s) Affected:**

Cities, Department of Environmental Quality, Department of Land Conservation and Development, Department of Consumer and Business Services, Counties

**Summary of Fiscal Impact:**

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

**Summary of Expenditure Impact:**

	2023-25 Biennium	2025-27 Biennium
<b>Department of Environmental Quality</b>		
<b>General Fund</b>		
Personal Services	\$174,328	\$0
Services and Supplies	\$28,875	\$0
<b>Total General Fund</b>	<b>\$203,203</b>	<b>\$0</b>
<b>Total Fiscal Impact</b>	<b>\$203,203</b>	<b>\$0</b>
<i>Total Positions</i>	1	0
<i>Total FTE</i>	0.75	0.00

**Analysis:**

SB 835 - A directs the Environmental Quality Commission to adopt rules setting forth the conditions for approving a proposal to permanently connect an accessory dwelling unit located on the same lot or parcel as a single-family dwelling to the same subsurface sewage disposal system or alternative sewage disposal system as the single-family dwelling. The measure takes effect January 1, 2024.

The Department of Environmental Quality (DEQ) anticipates hiring one limited-duration Operations and Policy Analyst 3 (0.75 FTE in the 2023-25 biennium) to conduct rulemaking, as well as to create an implementation plan and guidance for counties and installers regarding the new rules. Total costs of the position are estimated at \$203,203 General Fund, which includes \$174,328 for personal services and \$28,875 for services and supplies. The agency notes that they do not have any dedicated rulemaking staff within the Water Quality Programs, and do not have capacity within the Onsite Permitting Program to conduct this rulemaking without impacting existing programs. Additionally, the agency anticipates significant amounts of stakeholder engagement to consider the implications of a proposed statewide rule that will be implemented across a variety of local policies governing ADUs. DEQ also notes that there are insufficient reserves from Onsite Septic fees to pay for this position.

There is no or minimal fiscal impact for cities, counties, Department of Land Conservation and Development, and Department of Consumer and Business Services. This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact on the State’s General Fund.