


Elements of a Fiscal Impact Statement (FIS)

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 85 - A



Legislative Fiscal Office
82nd Oregon Legislative Assembly
2024 Regular Session

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Date: May 24, 2023

Bill Title: Relating to confined animal feeding operations; and declaring an emergency.

Government Unit(s) Affected: Water Resources Department, Department of Environmental Quality, Department of Agriculture, Counties, Cities

Summary of Fiscal Impact

2023-25 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Agriculture	\$ 562,012	\$ -	\$ -	\$ -	\$ 562,012	2	1.76
Department of Environmental Quality	\$ 214,491	\$ -	\$ -	\$ -	\$ 214,491	1	0.79
Total Fiscal Impact	\$ 776,503	\$ -	\$ -	\$ -	\$ 776,503	3	2.55

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Agriculture	\$ 473,750	\$ -	\$ -	\$ -	\$ 473,750	2	2.00
Department of Environmental Quality	\$ 67,733	\$ -	\$ -	\$ -	\$ 67,733	1	0.25
Total Fiscal Impact	\$ 541,483	\$ -	\$ -	\$ -	\$ 541,483	3	2.25

Measure Description
This measure prohibits the Department of Environmental Quality (DEQ) or the Oregon Department of Agriculture (ODA) from issuing a general National Pollutant Discharge Elimination System (NPDES) or Water Pollution Control Facilities (WPCF) permit to a new large, confined animal feeding operation (CAFO) under certain conditions. Permit applicants must schedule a preliminary consultation with DEQ, ODA, and the Water Resources Department (WRD), and request a land use compatibility statement from the appropriate local government jurisdiction prior to applying.

The measure requires that an applicant for a CAFO permit under an NPDES or WPCF permit must submit a water supply plan for review by WRD, which ensures proper legal authorization and allowable usage. WRD may also recommend conditions for approval of a permit. No animals may be brought to the facility until after ODA inspects any waste management system for compliance with the water quality permit.

The measure permits ODA to issue nutrient application permits and to establish permit requirements by rule. DEQ is directed to report to the interim committees of the Legislative Assembly related to agriculture within 180 days after the U.S. Environmental Protection Agency's National Air Emissions Monitoring Study is finalized, on the findings of the study as related to animal feeding operations.

Fiscal Analysis
The fiscal impact is estimated to be \$776,503 General Fund in the 2023-25 biennium and \$541,483 General Fund in the 2025-27 biennium.

Only impacts on original or engrossed versions are considered official

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Measure: Version of the measure that the FIS is being prepared for.

Prepared by: Legislative Fiscal Office (LFO) fiscal analyst who drafted the FIS.

Reviewed by: LFO budget analyst who reviewed the FIS, since one of the agencies in their budget portfolio may be impacted by the measure.

Bill Title: The measure's "Relating to" clause.

Government Unit(s) Affected: State and local government entities, as well as Tribes, that were asked to submit a fiscal impact statement for this version of the measure.

Summary of Fiscal Impact: Summarizes projected costs and staffing needs, by agency and fund type, for the next two biennia. A revenue impact table may also be included for certain non-General Fund revenue impacts.

- If there are any caveats to the numbers in the table, an indeterminate impact for any agency, or additional technical budgetary information, this will be included in bullets under the table (or there may be bullets in lieu of a table).

Measure Description: Summary of the elements of the measure related to the fiscal impact.

Fiscal Analysis: Provides information needed to understand the measure's fiscal impact determination. The total estimated fiscal impact is written out directly underneath this heading.

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Department of Agriculture
ODA costs are estimated to be \$562,012 General Fund. This includes support for two permanent full-time positions (each 0.88 FTE in 2023-25 and 1.00 FTE in 2025-27), which includes a Natural Resource Specialist 3 to serve as a field inspector, and a Natural Resource Specialist 4 to serve as a permit writer and work with other agencies, as well as associated position-related services and supplies. Also included in the estimate is \$35,000 of one-time costs for purchasing a vehicle for the field inspector and \$100,000 for rulemaking due to the complexity of this work.

The measure allows ODA to establish by rule a fee related to the Nutrient Application Permit, which would require subsequent approval by the Legislature in accordance with ORS 291.055. The amount of the fee and any potential revenue is indeterminate at this time. Currently, ODA's CAFO program is partially supported by fees; however, current revenue is only able to fund the existing program and is not sufficient to support the additional costs associated with this measure. Therefore, the costs to ODA are assumed to be General Fund.

Department of Environmental Quality
DEQ costs are estimated to total \$214,491 General Fund in the 2023-25 biennium and \$67,733 General Fund in 2025-27 biennium. The Department would hire one full-time limited duration Natural Resource Specialist 4 (0.79 FTE in 2023-25) to develop rules and begin work on permitting. Ongoing permitting work would require the equivalent of a part-time Natural Resource Specialist 4 (0.25 FTE) in 2025-27.

Water Resources Department
The fiscal impact on WRD is indeterminate but anticipated to be minimal. WRD will need to review water supply plans for existing, new, and expanding CAFO operations. The agency anticipates that this review could result in findings of unpermitted water use and require compliance actions; however, this is assumed to be absorbable by existing staff.

WRD assumes the costs are absorbable within existing resources based on an estimate that it will take about eight hours to review a water supply plan. However, this estimate would vary based on complexity and the detail of information provided. WRD is not able to anticipate when a CAFO operation may renew or how many new operations may apply under this measure's provisions.

Other Entities
The measure has no fiscal impact for cities. Counties report an indeterminate impact, dependent on the volume of new CAFO operations and the impact on county planner's workload for the land use compatibility statement processing. Some of these costs may be covered by county fees.

Relevant Dates
The measure declares an emergency and takes effect on passage.

Two provisions of the measure are repealed on September 15, 2027, including the prohibition on a CAFO expansion of its water use per day (section 9), and requirements of a registration, permit, or ground water right certificate for using ground water for livestock watering unless it exceeds 12,000 gallons per day at a new CAFO (section 12).

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Fiscal Analysis - agency subheadings: If there are multiple agencies impacted, individual agency fiscal impacts are described further in these subsections, which include:

- The overall fiscal impact for the agency.
- The estimated number of positions and full time equivalent (FTE) needed. FTE corresponds to the number of months of service each biennium. For example, a position that starts midway through the biennium (July 1, 2024, or 12 months into the biennium) is 0.50 FTE, while a full biennium position (July 1, 2023, to June 30, 2025, or 24 months) will be 1.00 FTE.
- Likely position classification, based on projected position responsibilities, and a description of the work that will be performed.
- Any additional services and supplies costs, beyond the usual costs (such as a computer, or training) to bring a new position on board.
- The background information, data, and assumptions informing the fiscal impact conclusion.

Relevant Dates: Lists the dates in the measure that are relevant to the fiscal impact. This includes:

- Effective date:* Date measure becomes law.
- Operative dates:* If a bill requires administrative preparation before the bill is fully operative, an operative date delays operation of all or part of the bill until a certain point after the effective date.
- Repeal and sunset dates:* A statement that repeals some or all of a measure after a certain date.