

State of Oregon
Department of Environmental Quality

Memorandum

Date: March 28, 2022
To: Environmental Quality Commission
From: Richard Whitman, Director
Subject: Item I: 2022 Legislative Session outcomes (Informational)
April 6-7, 2022, EQC meeting

Purpose of item DEQ will present updates about the outcomes of the 2022 Oregon legislative session, including legislation that will result in agency administrative changes or commission rulemaking as well as changes to the legislatively-approved budget.

EQC involvement There is no commission action associated with this item.

Attachment A. End-of-Session summary report

Report prepared by Stephanie Caldera
Commission assistant

DEQ 2022 Legislative Report

Summary

The Oregon Legislative Assembly convened for the 2022 Legislative Session on Feb. 1 and adjourned March 4. Legislators passed more than 100 bills and approved \$1.4 billion in new general fund spending. Due to the COVID-19 pandemic, session business was conducted remotely, with the exception of floor votes. DEQ staff participated throughout the session, providing expert testimony at hearings, work sessions and informational sessions on key environmental topics. This report details final outcomes of key bills of interest to DEQ, including new resources to the agency for bill implementation.

HB 5202 – Budget Reconciliation Bill

This omnibus measure makes changes to the 2021-23 legislatively adopted budget and implements 2022 budgetary decisions. Appropriations to DEQ include:

- **\$15 million** to the Zero Emission Incentive Fund to ensure the program can continue to meet the growing demand for electric vehicle rebates
- **\$15 million** for a new medium and heavy duty zero emission charging infrastructure grant program to help accelerate the transition to zero emission fleets. Included in this amount are anticipated costs for administering the grant program, including the establishment of a limited duration position and contracting costs.
- **\$517,000** for laboratory expenses, including a much-needed new full time managerial position and funding to replace aging lab equipment.
- **\$468,000** for information technology costs related to DEQ's use of the State Data Center and increased use of enterprise and backup storage.

HB 4077 – Environmental Justice for All

Establishes the Environmental Justice Council within the Office of the Governor and directs that administrative support to be provided by DEQ. The bill also directs the Council, in coordination with DAS, the OSU Institute for Natural Resources, the PSU Population Research Center, and natural resource agencies, with staff support from DEQ and the Oregon Health Authority, to develop an environmental justice mapping tool.

- One FTE to support the Council and related policy and community engagement work. Includes an additional \$25,000 for community engagement support. One FTE to support development of environmental justice mapping tool.

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HB 1567 – Critical Energy Hub Risk Mitigation

Directs owners or operators of bulk oils or liquid fuels terminals in Columbia, Multnomah, or Lane counties to conduct and submit seismic vulnerability assessments to DEQ for review and approval, with reports first submitted June 1, 2024. These entities must also implement seismic risk mitigation implementation plans that are approved by DEQ and update assessments upon retrofit or reconstruction of a terminal or based on new scientific or technical findings.

- Two permanent FTE to provide technical support for rulemaking, oversight of contracted professional engineers, implementation of the seismic risk mitigation program, and ongoing compliance work. One permanent FTE to provide support for initial rulemaking, program implementation, and associated compliance work. One limited duration FTE for initial start up work to lead rulemaking efforts and to provide interagency coordination.

SB 1501 – Private Forest Accords

Provides direction for implementing several parts of the Private Forest Accord. Adds a section to the Oregon Forest Practices Act requiring the Board of Forestry to adopt, amend, or repeal several administrative rules consistent with the accord as a single rule package. Directs the Oregon Department of Forestry to establish by rule an adaptive management program including two advisory committees: The Adaptive Management Program Committee and the Independent Research and Science Team. The Adaptive Management Program Committee is tasked with setting the research agendas, making budget recommendations, and assessing scientific findings for the Independent Research and Science Team.

- Two permanent FTE at DEQ to provide technical assistance related to water quality and aquatic ecosystems on forested land. This would include technical consultation on rulemaking, working on the adaptive management program, consulting on mapping of streams and road abandonment, review of remediation site plans, and other water-related activities.

SB 1576 – Mattress Recycling

Establishes a program to collect and manage discarded mattresses. The program is to be run by a stewardship organization, with DEQ oversight. DEQ will be advised by a mattress stewardship program advisory committee that meets at least annually.

- One half time FTE to implement DEQ's responsibilities in the bill.

SB 1558 – Omnibus Transportation Updates

Clarifies that enhanced penalty for failure to use vehicle traction tires or chains applies to registered commercial vehicles at time of offense. Repeals citation moratorium for traffic offenses related to documents and credentials that expired during the period from March 1, 2020 to Dec. 31, 2020. Of importance to DEQ, the bill increases the annual allocation of vehicle dealer privilege tax revenues to Zero-Emission Incentive Fund from \$12 million to the greater of \$12 million or 45 percent of gross revenues received from the vehicle dealer privilege tax. As privilege tax revenues grow, this will mean increased revenue for the EV rebate program.

HB 4068 – Emergency Preparedness

This measure has several provisions around emergency preparedness, including transferring the Oregon Homeland Security Council from the Office of the Governor to the Oregon Department of Emergency Management (ODEM); outlining requirements for emergency response exercises; and requiring all local government officials who could be expected to have an emergency or disaster response responsibility to complete education on emergency response. This bill also addresses an issue from the 2021 session and directs DEQ to prioritize recipients impacted by the 2020 wildfires when providing financial assistance related to on-site septic systems.

- DEQ will receive one permanent position in Central Services Division to develop and implement the annual Incident Command System exercise, maintain and update the agency's continuity of operations plan for best practices learned through the annual exercises, and coordinate with ODEM to develop the report on the annual exercises.

Budget Note

The following budget note was included in HB 5202 and is related to the establishment of the Medium Heavy Duty Charging Infrastructure Fund.

- The Department of Environmental Quality and the Oregon Department of Transportation are directed to report back to the Joint Committee on Transportation and the appropriate interim budget committee by December 1, 2022, with an analysis of existing incentives available to support the transition to zero emission medium and heavy-duty transportation fleets. The agencies are further directed to research incentives offered in other states and to provide recommendations on expanding or creating incentives to support businesses in the transition to zero emission medium and heavy-duty vehicles. This effort should include analyses on incentives for vehicles and electric charging or other fuel infrastructure.

For More Information

Please contact Nancy Bennett, Policy and External Affairs Manager, at nancy.bennett@deq.oregon.gov.

Alternate formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.oregon.gov.