



State of Oregon Department of Environmental Quality

# Draft Fiscal Impact Statement

Asbestos Fees 2024

June 18, 2024, Advisory Committee Meeting

## Fiscal and economic impact

An increase in asbestos notification fees, certification fees, accreditation fees, and licensing fees would affect approximately 73 licensees, 6 training providers, and 1,222 certificate holders directly. This increase would increase each fee by 3%.

## Statement of cost of compliance

### State agencies

Federal and state agencies should not be affected by this fee increase rulemaking unless they employ asbestos staff or require asbestos abatement work in an agency building.

### Local governments

Local government should not be affected by this fee increase rulemaking unless they employ asbestos staff or require asbestos abatement work in a government building.

### Public

The proposed rules may affect the public indirectly. Homeowners, property owners, and facility owners/operators hire asbestos abatement contractors to perform asbestos abatement projects during renovation or demolition activities.

## Large businesses - businesses with more than 50 employees

Most asbestos abatement contractors and training providers are small businesses, however there are some that employ more than 100 individuals. Those businesses will be directly affected by the asbestos notification fee increase, worker and supervisor certification fee increase, licensing fee increase, and in some cases, the training provider accreditation fee increase.

Large businesses who require asbestos abatement may be affected indirectly by the increase of asbestos fees. Because training providers and asbestos abatement contractors will be required to pay higher fees, these entities may increase prices to offset costs.

## Small businesses – businesses with 50 or fewer employees

Most asbestos abatement contractors are small businesses. The increase in worker and supervisor certification fees, licensing fees, and notification fees will affect them directly. Most

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accredited asbestos training providers are also small businesses, and the increase of training provider fees will affect them directly.

Small businesses who require asbestos abatement may be affected indirectly by the increase of asbestos fees. Because training providers and asbestos abatement contractors will be required to pay higher fees, these entities may increase prices to offset costs.

## **ORS 183.336 Cost of Compliance Effect on Small Businesses**

### **a. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.**

Based on the list of existing licensed asbestos abatement contractors and accredited asbestos training providers, 77 small businesses will be subject to the fee increase.

- 72 asbestos abatement contractors
- 5 accredited asbestos training providers

### **b. Projected reporting, recordkeeping, and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.**

The proposed rules should not require any additional administrative activities. All affected parties already have systems in place to comply with the proposed fee increase.

### **c. Projected equipment, supplies, labor, and increased administration required for small businesses to comply with the proposed rule.**

The proposed rules will not require any additional resources. There should be no changes to administration requirements to comply with the proposed fee increase.

### **d. Describe how DEQ involved small businesses in developing this proposed rule.**

The Fiscal Advisory Committee includes representatives from a variety of asbestos industry types, including abatement contractors, training providers, local government agencies, and community organizations.

## Documents relied on for fiscal and economic impact

Document title	Document location
<a href="#">List of Accredited Training Providers</a>	DEQ Headquarters Office 700 NE Multnomah St. Suite 600 Portland, OR 97232
<a href="#">List of Licensed Asbestos Abatement Contractors</a>	DEQ Headquarters Office 700 NE Multnomah St. Suite 600 Portland, OR 97232

## Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would influence the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel.

DEQ has determined the proposed rules might influence development costs. A vacant parcel would not be affected, but a parcel with required demolition would be affected as the standing structure may be subject to the asbestos regulations in OAR 340-248. Property owners may be subjected to the potentially increased costs due to fee increase for the asbestos abatement service provider. Any estimate of possible financial impact would be speculative because individual abatement contractors set their own pricing for services.

## Racial Equity

DEQ has determined that the increase of fees may affect racial equity in the state. Many certified asbestos workers and certified asbestos supervisors are BIPOC. Frequently, they are responsible for their own certification fees. To minimize the impact of the fee increase, DEQ will consult the Rulemaking Advisory Committee and the Fiscal Advisory Committee June 18, 2024.

## Environmental justice considerations

ORS 182.545 requires natural resource agencies to consider the effects of their actions on environmental justice issues. Before making decisions, DEQ conducts thorough assessments to understand how its actions might affect communities, especially those that are traditionally underserved or overburdened by environmental hazards, including asbestos-related incidents.

Public hearings are conducted at times and locations that are convenient to ensure community members, especially those in vulnerable areas, have the opportunity to participate and voice their concerns.

The Asbestos Program engages in public outreach to inform communities and associations about the hazards of asbestos using various communication channels like social media, local media, and by hosting educational workshops and information sessions in affected communities.

Additionally, the program staff serve as citizen advocates, providing education and outreach, and ensuring the agency is informed about the impact on communities that are traditionally underrepresented in the public process.

## **Non-discrimination statement**

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities.

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