

State of Oregon  
Department of Environmental Quality

Memorandum

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**Date:** July 12, 2019

**To:** Environmental Quality Commission

**From:** Richard Whitman, Director

**Subject:** Agenda item I, Informational item: Budget and legislative updates  
July 18-19, 2019, EQC meeting

**Purpose of item** DEQ will present updates about the outcomes of the 2019 Oregon Legislative Session, including legislation that will result in agency administrative changes or commission rulemaking as well as an overview of major changes in funding.

**Attachments** A. Summary of Legislation from the 2019 Session  
B. Summary of Changes to DEQ's Budget from the 2019 Session

**EQC involvement** There is no commission action associated with this item. DEQ staff will present a more detailed report at the September meeting, along with an initial look at the timeline for budget and legislative development for the 2021 Legislative Assembly.

Report compiled by Stephanie Caldera  
*Commission assistant*

**Legislative Highlights from 2019 Session  
Presentation to Environmental Quality Commission  
July 18<sup>th</sup>, 2019**

**EQC**

**Bonding Authority—[HB 5005](#)— (Passed)**

**DEQ Budget Bill—[HB 5017](#) – (Passed)**

**Fee Ratification Bill—[HB 5018](#)—(Passed)**

**End of Session Omnibus—[HB 5050](#)— (Passed)**

**Oregon Environmental Protection Act—[HB 2250](#)—Requires DEQ and OHA to regularly assess proposed and final changes to federal environment laws to determine whether changes are significantly less protective of public health, environment or natural resources than standards and requirements contained in those federal environmental laws, as in effect on January 19, 2017. (Passed)**

**AGENCY MANAGEMENT**

**AM Bills of Interest**

**Public Employees Retirement—[SB 1049](#)—Redirects portion of employee contributions of member of Public Employees Retirement System to employee pension stability account. (Passed)**

**Public Record Requests—[HB 2353](#)— Authorizes the Attorney General, district attorney, or court to require a public body to pay a penalty and reasonable attorney fees to a requestor of public records upon determining that the public body failed to respond or responded to the request with undue delay. (Passed)**

**Vacant Positions—[HB 3245](#)-- Requires Oregon Department of Administrative Services to reduce allotments to state agencies that report personnel positions that have remained vacant for continuous period of six months. (Died)**

**WATER QUALITY PROGRAM**

**WQ Bills of Interest- Passed**

**Offshore Drilling—[SB 256](#)—Repeals sunset on moratorium on oil, gas and sulfur leasing in territorial sea.**

**CWSRF Onsite Loans—[SB 884](#)—Authorizes qualified institutions to receive loans from Water Pollution Control Revolving Fund to finance projects to repair or replace failing on-site septic systems or to replace failing on-site septic systems with connections to available sewer.**

**DSL Study on 404 Assumption--[HB 2436](#)—Directs Department of State Lands to conduct study on potential changes to laws, or implementation of law, regulating removal or fill activities. -2 amendment**

instructs DSL to develop proposal/recommendations for 404 partial assumption. Requires consultation with DEQ and other agencies.

**Channel Maintenance**--[HB 2437](#)—Authorizes maintenance activities in dry, traditionally maintained channels to be conducted without removal or fill permit subject to certain conditions.

**Hydraulic Fracturing**--[HB 2623](#)—Imposes a statewide moratorium on hydraulic fracturing used in the exploration for, or production of, oil or gas until 2030.

### WQ Bills of Interest- Died

**Biosolids**--[SB 286](#)—Allows local body to restrict or condition onsite treatment of septage or land application of reclaimed water or biosolids to protect accepted farming practices on surrounding lands.

**Confined Area Feeding Operations (CAFOs)**—[SB 103](#) (Died), [SB 104](#) (Died), [SB 876](#) (Died), [SB 886](#) (Died)

**Wetlands Mitigation**--[HB 2438](#)—Directs Department of State Lands to conduct study on issues related to wetlands mitigation.

**Pesticide Use and Water Quality**—[HB 2816](#)—Establishes task force (Died), [HB 2980](#)—Extended sunset date for pesticide use reporting program (Died), [HB 2493](#)—Prohibition on aerial spraying of pesticides (Died), [SB 931](#)—Creates certain requirements on aerial spraying of pesticides (Died)

**Landlord Well Water Testing**--[HB 2860](#)—Establishes requirements for testing and reporting groundwater contaminants for residences that depend on well water as a drinking water source.

**Onsite Non-potable Water Systems**--[HB 3182](#)—Provides a framework for permitting onsite systems for the treatment and reuse of non-potable water and requires a DEQ permit for the construction, installation, or operation of an onsite system for the treatment and reuse of non-potable water.

**Harmful Algal Blooms**—[HB 3326](#) (Incorporated into HB 5017), [HB 2944](#)—established task force (Died), [HB 3340](#)—Directed OHA and DEQ to develop response strategy for HABs (Died)

*Note: Interim workgroup has been created on this topic.*

## LAND QUALITY

### LC Bills of Interest – Passed

**DEQ Heating Oil Tank Program**—[SB 40](#)—Heating oil tank fee increase

**DEQ Oil Spill Program**—[SB 41](#)—Oil spill prevention fee increase

**E-cycles**—[HB 3273](#)—Changes existing program’s determination on manufacturer share of costs.

**Bottle Bill**—[SB 93](#)-- Establishes dealer redemption centers for bulk redemption of beverage containers, [SB 247](#) Adds containers that contain kombucha, [SB 522](#) Prohibits person from, with intent to defraud, returning for refund value during one day 50 or more individual beverage containers that person knows were not sold in this state, [SB 590](#)—Limits space considered to be occupied by dealer for purposes of obligation to redeem beverage containers.

**Plastic Bags**—[HB 2509](#)—Prohibits single use of plastic bags.

**Straws**—[SB 90](#)—Prohibition on single use plastic straws

**Brownfields**—[HB 2699](#)—Technical fixes to the program.

**High Hazard Rail**—[HB 2209](#)—Establishes spill prevention and planning program for high hazard rail routes in the state

**Drug Take Back**—[HB 3273](#)—Creates a product stewardship program for unwanted medications.

**Auto Dismantlers**—[SB 792](#)—Makes minor changes to regulation of auto dismantlers, decreasing the number of tires a dismantler certificate holder may have on site before a waste tire permit is required.

#### **LC Bills of Interest- Died**

**Mattress Stewardship Program**—[SB 276](#)—Creates a product stewardship program for mattresses.

**Household Hazardous Waste**—[HB 2772](#)—Establishes a product stewardship program for household hazardous waste.

**Polystyrene Food Containers**—[HB 2883](#)—Prohibition on using polystyrene container for prepared food.

**Neonicotinoids**—[HB 2619](#)—Prohibitions on the use of neonicotinoids

**Pesticide Use Reporting**—[HB 2980](#)—Extends sunset of pesticide use reporting program to 2029

## **AIR QUALITY**

#### **AQ Bills of Interest – Passed**

**EV Rebates**—HB 2592—Authorize DEQ to waive rebate reimbursement in certain situations, such as death or having to move because of military service and clarifies that plug-in hybrid vehicles qualify for the Charge-Ahead rebate Program.

**Diesel Emissions/VW Settlement Fund**—[HB 2007](#)-- Extends authorized uses of moneys received by state pursuant to Volkswagen Environmental Mitigation Trust Agreement, prohibits registration and titling of certain motor vehicles powered by certain year model diesel engines within Multnomah, Clackamas or Washington County, and requires certain public improvement contracts to require use of motor vehicles with 2010 model year or newer diesel engines and equipment that meets certain emission standards in performance of contract.

#### **AQ Bills of Interest- Died**

**Greenhouse Gas/Climate**—[HB 2020](#)—Establishes greenhouse gas cap and trade program in Oregon, [SB 928](#)—Establishes the Oregon Climate Authority

**Enforcement**—[HB 2271](#)—Restores punishment for unlawful air pollution in the second degree from specific fine violation to Class A misdemeanor and allows DEQ to pursue civil administrative enforcement against motor vehicle manufacturers that cheap emission standards. (Partially incorporated in to HB 2007)

**Confined Area Feeding Operations (CAFOs)**—[SB 103](#) and [SB 104](#)-- Classifies dairies exceeding specified size as industrial facilities for purposes of right to farm laws, air pollution laws and land use laws

**Woodsmoke**—[HB 3408](#) and [SB 1031](#) (Both incorporated in HB 5017)

**Budget Highlights from 2019 Session**  
**Presentation to Environmental Quality Commission**  
**July 18, 2019**

Overview

DEQ's legislatively adopted budget (known as the LAB) included a nearly 11% increase in funding for the agency, and added more than 50 new positions for critical work in our regional offices and our air, land and water divisions.

Water Quality

- *Adds 2 positions to work on MS4 municipal stormwater and one for transportation related stormwater issues*
- *Adds 2 positions to work on the timely development of water quality standards*
- *Continues funding for 2 lab positions to monitor and analyze drinking water related to harmful algal blooms.*
- *Adds 9 positions to address the WQ permit backlog*
- *Adds a position to improve WQ and aquatic habitat in the Klamath Basin*
- *Restores a position to address water quality outcomes*
- *Adds 3 positions to develop and issues clean water plans (TMDLs)*
- *Adds a loan specialist position and authorizes funding for the procurement of loan management software for our Clean Water SRF program*

Air Quality

- *Adds \$500,000 in general funds to address wood smoke reduction work*
- *Adds \$250,000 in general funds for work by local communities to prepare for wildfire smoke*
- *Adds 6 positions in ACDP and 2 in Title V to help address our air quality permit backlog*
- *Ratifies fees and makes 11 positions permanent in the Cleaner Air Oregon program*
- *Adds 2 positions to implement new diesel program elements contained in HB 2007*

Land Quality

- *Authorizes a fee increase to support our Heating Oil Tank Program*
- *Authorizes a fee increase for Oil Spill Prevention program and adds a position*
- *Adds 2 positions to support contingency planning along high hazard rail routes*
- *Provides limitation for 3 positions to support the work of Solid Waste Orphan Site Clean Up*
- *Adds 2 positions to provide oversight and assist with implementation of a drug take back program*

Agency Management

- *Adds an internal agency auditor*
- *Includes funding and expenditure limitation to continue the next phase of EDMS*