

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 536 - A**

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal Office

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**Measure Description:**

Prohibits use of single-use checkout bags except in certain cases.

**Government Unit(s) Affected:**

Department of Environmental Quality, Judicial Department

**Summary of Expenditure Impact:**

	2011-13 Biennium	2013-15 Biennium
Department of Environmental Quality – Other Funds	\$49,400	\$31,200

**Summary of Revenue Impact:** See Analysis

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

The measure prohibits retail establishments from providing single-use checkout bags to customers except in certain cases. The measure allows retail establishments to make reusable checkout bags available to customers at no cost, prohibits local governments from taxing any type of checkout bag, and repeals requirement that retailers offer choice between paper and plastic bags. The measure allows the Department of Environmental Quality to impose civil penalties for violations, not to exceed \$250 per day. The penalties recovered are paid into the General Fund. The measure is effective on passage.

The Department of Environmental Quality (DEQ) assumes implementation of the requirements of this measure at the least potential cost to the Department. DEQ estimates the least potential cost to develop and implement the program, response to inquiries, and compliance and enforcement at approximately \$49,400 Other Funds in 2011-13. DEQ does not plan to devote resources to routinely inspect retail establishments or any records that demonstrate compliance. DEQ assumes compliance and enforcement will be complaint driven and will provide limited follow-up on reports it receives for possible violations. Depending on the volume of complaints, DEQ anticipates delaying enforcement and compliance actions in the first year to allow time for education and adjustment by retailers to the new requirements. DEQ estimates the least potential cost for on-going response to inquiries and compliance and enforcement at approximately \$31,200 in 2013-15.

DEQ assumes that the anticipated workload to plan, develop and implement the program, respond to inquiries and complaints, and the compliance and enforcement aspects of the measure would be accomplished by existing staff within the Solid Waste program through reprioritizing duties and responsibilities. DEQ notes that the shift in responsibilities will likely delay product stewardship work and reduce the Department's ability to provide technical assistance to solid waste facilities.

The Legislative Fiscal Office (LFO) notes that the measure does not provide a revenue source for the program. DEQ assumes that work would be funded through the solid waste program. The revenue for this program is from landfills that receive domestic solid waste, including residential, commercial and

industrial. LFO notes that revenue from these tipping fees charged to landfills have been decreasing over the past two years. The civil penalty revenue paid into the General Fund as a result of this measure is indeterminate.

The Judicial Department could have a minimal expenditure impact if a retailer files a petition with the Court of Appeals for a judicial review of the imposed civil penalties.