

## CHAPTER 11. HAZARDOUS SUBSTANCES FEE

A fee is imposed on the possession of hazardous substances at business facilities in Oregon, including substances manufactured, stored, or used at the facility. The state Fire Marshal sets the fee each year based on guidelines established in law (ORS 453.402), the type and quantity of the hazardous chemical and a statutory maximum. Any chemical substance or waste for which a material safety data sheet is required by the Department of Consumer and Business Services is considered a hazardous substance. Excluded from this category are crude oil and petroleum products, solid waste, or hazardous waste under ORS 466.005.

The hazardous substance fee began in 1989. Its purpose is to provide community planners, emergency responders, and the public with information on hazardous substances in their communities; to minimize the use and dangers of hazardous substances; to fund the Oregon Community Right to Know programs; and to provide funding for the Orphan Site Account. The Orphan Site Account is part of the Hazardous Substance Remedial Action Fund established under ORS 465.381 and is used to clean up contaminated sites where the responsible party is unknown, unwilling, or unable to undertake the cleanup.

For funding the Community Right to Know and Protection Act, the fee can range from \$25 to \$2,000 per site. For funding the Toxics Use Reduction and Hazardous Waste Reduction Act, the fee can range from \$25 to \$2,000 per site. For funding the Orphan Site Account, the fee can range from zero to \$9,000 per site but not more than \$25,000 for a single company. The collections for the Orphan Site Account cannot exceed \$1 million per year.

Total receipts from the tax are forecast to be \$5.5 million for the 2007–09 biennium and \$5.6 million for the 2009–11 biennium.

**11.001 STATE AND LOCAL GOVERNMENT PROPERTY**

Oregon Statute: 453.402(4)(e)

Sunset Date: None

Year Enacted: 1989

	Total
2007–09 Revenue Impact:	Not Available
2009–11 Revenue Impact:	Not Available

- DESCRIPTION:** State and local government property is exempt from paying the hazardous substances fee. This fee contributes to the Orphan Site Account, which is used to finance the cleanup of contaminated sites where the responsible party is unknown, unwilling, or unable to undertake the cleanup.
- PURPOSE:** The statute that allows this expenditure does not explicitly state a purpose. Presumably, the purpose is to reflect the fact that the Orphan Site Account may not be used to pay the state’s remedial action costs at facilities owned by the state.
- WHO BENEFITS:** State and local governments.
- EVALUATION:** Not evaluated.

**11.002 SUBSTANCE PROHIBITED FROM TAX BY FEDERAL LAW**

Oregon Statute: 453.402(4)(d)

Sunset Date: None

Year Enacted: 1989

	Total
2007–09 Revenue Impact:	Not Available
2009–11 Revenue Impact:	Not Available

- DESCRIPTION:** Oregon law states that, “Any substance or activity which the constitution or laws of the United States prohibit the state from taxing” are exempt from the Hazardous Substances Fee. It is not clear, however, whether the federal constitution or laws prohibit the taxation of any specific substance or activity.
- PURPOSE:** To comply with federal law.
- WHO BENEFITS:** Businesses possessing hazardous substances prohibited from state taxation by federal law.
- EVALUATION:** *by the Department of Revenue*  
This expenditure achieves its purpose of compliance with federal law.