A-Engrossed House Bill 2155

Ordered by the House April 30 Including House Amendments dated April 30

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Modifies definition of "intermittent stream." Repeals estuarine resource replacement statute.] Allows Department of State Lands to assess one-time fee that covers all fees due for removal or fill permit valid for more than one year. Modifies factors Director of Department of State Lands considers in determining whether to issue permit. Modifies exemptions for lands zoned for exclusive farm use. Allows department to establish by rule exemption from removal or fill permitting requirements for voluntary habitat restoration projects that have only minimal adverse impact.

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A BILL FOR AN ACT

2 Relating to removal-fill permitting program; creating new provisions; and amending ORS 196.815,

3 196.825 and 196.905.

4 Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 196.815 is amended to read:

6 196.815. (1) A person who is required to have a permit to remove material from the bed or banks

7 or fill any waters of this state shall file a written application with the Director of the Department

8 of State Lands for each individual project before performing any removal or fill.

9 (2)(a) Each application under subsection (1) of this section must be accompanied by a base fee 10 in accordance with the following schedule:

(A) For a removal by a private operator, or a person contracting to perform services for a pri vate operator, \$85.

13 (B) For a removal by a public body, \$250.

14 (C) For a removal by a commercial operator, \$250.

15 (D) For a fill by a private operator, or a person contracting to perform services for a private 16 operator, \$250.

- 17 (E) For a fill by a public body, \$620.
- 18 (F) For a fill by a commercial operator, \$620.
- 19 (G) For erosion-flood repair, including riprap, no fee.
- 20 (b) In addition to the base fee for removal established under paragraph (a) of this subsection,

each applicant shall also pay as part of the application fee the following fee based on the volume of removal material:

- 23 (A) Less than 500 cubic yards, no volume fee.
- 24 (B) 500 to less than 5,000 cubic yards, \$125.

25 (C) 5,000 to less than or equal to 50,000 cubic yards, \$250.

1 (D) Over 50,000 cubic yards, \$375.

2 (c) In addition to the base fee for fill established under paragraph (a) of this subsection, each

applicant shall also pay as part of the application fee the following fee based on the volume of fillmaterial:

5 (A) Less than 500 cubic yards, no volume fee.

6 (B) 500 to less than 3,000 cubic yards, \$125.

7 (C) 3,000 to less than or equal to 10,000 cubic yards, \$250.

8 (D) Over 10,000 cubic yards, \$375.

9 (d) For the purposes of this subsection:

(A) "Private operator" means any person undertaking a project for exclusively a nonincome producing and nonprofit purpose;

(B) "Public body" means federal, state, and local governmental bodies, unless specifically ex empted by law, engaged in projects for the purpose of providing free public services;

14 (C) "Commercial operator" means any person undertaking a project having financial profit as 15 a goal;

(D) "Riprap" means the facing of a streambank with rock or similar substance to control erosion
 in accordance with regulations promulgated by the Department of State Lands; and

(E) "Erosion-flood repair" means riprap or any other work necessary to preserve existing facilities and land from flood and high streamflows, in accordance with regulations promulgated by the
department.

(3) For each application that involves both removal and filling, the application fee assessed shall
be either for removal or filling, whichever is higher according to the fee schedule in subsection (2)
of this section.

(4) The department may waive the fees specified in subsection (2) of this section for a permitthat will be used to perform a voluntary habitat restoration project.

(5) A person who receives an emergency authorization under ORS 196.810 to remove material from the beds or banks of any waters of this state or to fill any waters of this state shall, within 45 days after receiving the authorization, submit a fee to the department calculated in the manner provided under this section for permit applications.

30 (6) [Prior to or on the anniversary date of the permit,] Each holder of a material removal or fill 31 permit shall pay a fee during the term of the permit in accordance with the schedule set forth in 32subsection (2) of this section, except that the applicant shall pay only the base fee. For multiyear permits valid over a period of more than one year, the department may assess a one-time 33 34 fee that covers all fees due under subsection (2) of this section for the period of the permit. 35 The permit shall be suspended during any period of delinquency of payment as though no permit was applied for. Notwithstanding this subsection the director may, before granting a renewal of the 36 37 permit, require the permittee to show that the continued exercise of the permit is consistent with 38 the protection, conservation and best use of the water resources of this state.

(7) Fees received under this section shall be credited to the Common School Fund for use by the
 department in administration of ORS 196.600 to 196.905.

(8) The director shall issue an order revising the fees specified in this section on January 1 of
each year, beginning in 2009, based on changes in the Portland-Salem, OR-WA Consumer Price Index
for All Urban Consumers for All Items as published by the Bureau of Labor Statistics of the United
States Department of Labor. The director shall round the amount of each fee to the nearest dollar.
The revised fees shall take effect January 1 and apply for that calendar year.

1 SECTION 2. ORS 196.825 is amended to read:

196.825. (1) The Director of the Department of State Lands shall issue a permit applied for under
 ORS 196.815 if the director determines that the project described in the application:

4 (a) Is consistent with the protection, conservation and best use of the water resources of this 5 state as specified in ORS 196.600 to 196.905; and

6 (b) Would not unreasonably interfere with the paramount policy of this state to preserve the use 7 of its waters for navigation, fishing and public recreation.

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(2) In determining whether to issue a permit, the director shall consider all of the following:

9 (a) The public need for the proposed fill or removal and the social, economic or other public 10 benefits likely to result from the proposed fill or removal. When the applicant for a permit is a 11 public body, the director may accept and rely upon the public body's findings as to local public need 12 and local public benefit.

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(b) The economic cost to the public if the proposed fill or removal is not accomplished.

14 (c) The availability of alternatives to the project for which the fill or removal is proposed.

15 (d) The availability of alternative sites for the proposed fill or removal.

(e) Whether the proposed fill or removal conforms to sound policies of conservation and wouldnot interfere with public health and safety.

(f) Whether the proposed fill or removal is in conformance with existing public uses of the wa ters and with uses designated for adjacent land in an acknowledged comprehensive plan and land
 use regulations.

(g) Whether the proposed fill or removal is compatible with the acknowledged comprehensive plan and land use regulations for the area where the proposed fill or removal is to take place or can be conditioned on a future local approval to meet this criterion.

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(h) Whether the proposed fill or removal is for streambank protection.

(i) Whether the applicant has provided all practicable mitigation to reduce the adverse effects of the proposed fill or removal in the manner set forth in ORS 196.800. [*If off-site compensatory wetland mitigation is proposed, the applicant shall document the impracticability of on-site compensatory wetland mitigation.*] In determining whether the applicant has provided all practicable mitigation, the director shall consider the findings regarding wetlands set forth in ORS 196.668 and whether the proposed mitigation advances the policy objectives for the protection of wetlands set forth in ORS 196.672.

(3) The director may issue a permit for a project that results in a substantial fill in an estuary for a nonwater dependent use only if the project is for a public use and would satisfy a public need that outweighs harm to navigation, fishery and recreation and if the proposed fill meets all other criteria contained in ORS 196.600 to 196.905.

36 (4) If the director issues a permit, the director may impose such conditions as the director considers necessary to carry out the purposes of ORS 196.805 and 196.830 and subsection (1) of this 37 38 section and to provide mitigation for the reasonably expected adverse effects of project development. In formulating such conditions the director may request comment from public bodies, as defined in 39 40 ORS 174.109, federal agencies and tribal governments affected by the permit. Each permit is valid only for the time specified therein. The director shall impose, as conditions to any permit, general 41 42 authorization or wetland conservation plan, measures to provide mitigation for the reasonably expected adverse effects of project development. Compensatory wetland mitigation shall be limited to 43 replacement of the functional attributes of the lost wetland. 44

45 (5) The director may request comment from interested parties and adjacent property owners on

1 any application for a permit. The director shall furnish to any person, upon written request and at

2 the expense of the person who requests the copy, a copy of any application for a permit or author-3 ization under this section or ORS 196.850.

(6) Any applicant whose application for a permit or authorization has been deemed incomplete 4 or has been denied, or who objects to any of the conditions imposed under this section by the di-5 rector, may, within 21 days of the denial of the permit or authorization or the imposition of any 6 condition, request a hearing from the director. Thereupon the director shall set the matter down for 7 hearing, which shall be conducted as a contested case in accordance with ORS 183.415 to 183.430, 8 9 183.440 to 183.460 and 183.470. After such hearing, the director shall enter an order containing findings of fact and conclusions of law. The order shall rescind, affirm or modify the director's initial 10 order. Appeals from the director's final order may be taken to the Court of Appeals in the manner 11 12 provided by ORS 183.482.

(7) Except for a permit issued under the process set forth in ORS 517.952 to 517.989, the director
 shall:

(a) Determine whether an application is complete within 30 days from the date the Department
of State Lands receives the application. If the director determines that an application is complete,
the director shall distribute the application for comment pursuant to subsection (4) of this section.
If the director determines that the application is not complete, the director shall notify the applicant
in writing that the application is deficient and explain, in the same notice, the deficiencies.

(b) Issue a permit decision within 90 days after the date the director determines that the application is complete unless:

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(A) An extension of time is granted under subsection (9)(b) of this section; or

(B) The applicant and the director agree to a longer time period.

(8) Permits issued under this section shall be in lieu of any permit or authorization that might
be required for the same operation under ORS 164.775, 164.785, 468.020, 468.035, 468.045, 468.055,
468.060, 468.110, 468.120, 468B.005 to 468B.030 and 468B.048 to 468B.085, so long as:

(a) The operation is that for which the permit or authorization is issued; and

(b) The standards for granting the permit or authorization are substantially the same as those
established pursuant to ORS 164.775, 164.785, 468.020, 468.035, 468.045, 468.055, 468.110, 468.120,
468B.005 to 468B.030 and 468B.048 to 468B.085 to the extent they affect water quality.

(9)(a) Any public body, as defined in ORS 174.109, federal agency or tribal government requested by the director to comment on an application for a permit must submit its comments to the director not more than 30 days after receiving the request for comment. If a public body, federal agency or tribal government fails to comment on the application within 30 days, the director shall assume that the public body, federal agency or tribal government has no objection.

(b) The Department of Environmental Quality shall provide comments to the director within 75
days after receiving notice under subsection (4) of this section if the permit action requires certification under the Federal Water Pollution Control Act (P.L. 92-500), as amended.

(10) In determining whether to issue a permit, the director may consider only standards andcriteria in effect on the date the director receives the completed application.

41 (11) As used in this section:

42 (a) "Applicant" means a landowner or person authorized by a landowner to conduct a removal43 or fill activity.

(b) "Completed application" means a signed permit application form that contains all necessary
 information for the director to determine whether to issue a permit, including:

1 (A) A map showing the project site with sufficient accuracy to easily locate the removal or fill 2 site;

3 (B) A project plan showing the project site and proposed alterations;

4 (C) The fee required under ORS 196.815;

5 (D) Any changes that may be made to the hydraulic characteristics of waters of this state and 6 a plan to minimize or avoid any adverse effects of those changes;

7 (E) If the project may cause substantial adverse effects on aquatic life or aquatic habitat within 8 this state, documentation of existing conditions and resources and identification of the potential 9 impact if the project is completed;

(F) An analysis of alternatives that evaluates practicable methods to minimize and avoid impacts
 to waters of this state;

12 (G) If the project is to fill or remove material from wetlands, a wetlands mitigation plan; and

(H) Any other information that the director deems pertinent and necessary to make an informed
 decision on whether the application complies with the policy and standards set forth in this section.

15 **SECTION 3.** ORS 196.905 is amended to read:

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16 196.905. (1) Nothing in ORS 196.600 to 196.905 applies to filling the beds of the waters of this 17 state for the purpose of constructing, operating and maintaining dams or other diversions for which 18 permits or certificates have been or shall be issued under ORS chapter 537 or 539 and for which 19 preliminary permits or licenses have been or shall be issued under ORS 543.010 to 543.610.

20 (2) Nothing in ORS 196.600 to 196.905 applies to removal of materials from the beds or banks 21 or filling of the waters of a nonnavigable natural waterway, or any portion thereof, in this state, if:

(a) Such waterway or portion is situated within forestland; and

(b) Such removal or filling is directly connected with a forest management practice conducted
in accordance with ORS 527.610 to 527.770, 527.990 and 527.992.

(3) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, on converted
wetlands for normal farming and ranching activities such as plowing, grazing, seeding, **planting**,
cultivating, conventional crop rotation[,] **or** harvesting [for the production of food and fiber, upland
soil and water conservation practices or reestablishment of crops under federal conservation reserve
program provisions].

(4) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, on lands zoned for
 exclusive farm use as described in ORS 215.203 for the following activities [on exclusive farm use
 zoned lands]:

33 (a) Drainage or maintenance of farm or stock ponds; or

(b) Maintenance of farm roads in such a manner as to not significantly adversely affect
 wetlands[;]

[(c) Subsurface drainage, by deep ripping, tiling or moling, on converted wetlands; and]

[(d) Any activity described as a farm use in ORS 215.203 that is conducted on prior converted
cropland as described in subsection (8) of this section, so long as agricultural management of the land
has not been abandoned for five or more years] or any other waters of this state.

(5) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for subsurface
drainage by deep ripping, tiling or moling on converted wetlands that are zoned for exclusive
farm use pursuant to ORS 215.203.

(6) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for any activity
defined as a farm use in ORS 215.203, on lands zoned for exclusive farm use pursuant to ORS
215.203, if the lands are converted wetlands that are also certified as prior converted

1 cropland by the Natural Resources Conservation Service of the United States Department

2 of Agriculture, or its successor agency, so long as commercial agricultural production on the

3 land has not been abandoned for five or more years.

4 (7) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for the rees-5 tablishment of crops under federal conservation reserve program provisions set forth in 16 6 U.S.C. 3831 as in effect on the effective date of this act.

7 [(5)] (8) The [exemption] exemptions in subsections (3) [and (4)] to (7) of this section [shall] do 8 not apply to any fill or removal [which] that involves changing an area of wetlands to a nonfarm 9 use.

10 [(6)] (9) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for the main-11 tenance or reconstruction of structures such as dikes, dams, levees, groins, riprap, tidegates, drain-12 age ditches, irrigation ditches and tile drain systems, provided that:

(a) The structure was serviceable within the past five years; and

(b) Such maintenance or reconstruction would not significantly adversely affect wetlands or
other waters of this state to a greater extent than the wetlands or waters of this state were affected
as a result of the original construction of those structures.

[(7)] (10) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for maintenance, including emergency reconstruction of recently damaged parts, of currently serviceable roads or transportation structures such as groins and riprap protecting roads, causeways and bridge abutments or approaches.

(11) The Department of State Lands may adopt a rule that exempts from the requirement
 to obtain a permit under ORS 196.800 to 196.900 voluntary habitat restoration projects that
 have only minimal adverse impact on waters of this state.

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[(8)] (12) [For the purposes of this section, "converted wetland":]

[(a) Means wetlands that on or before June 30, 1989, have been diked, drained, dredged, filled,
leveled or otherwise manipulated to impair or reduce the flow, circulation or reach of water for the
purpose of enabling production of an agricultural commodity and are managed for that purpose; and]
[(b) Includes land that the Natural Resources Conservation Service of the United States Department of Agriculture, or its successor agency, certifies as prior converted cropland or farmed wetlands,

so long as agricultural management of the land has not been abandoned for five or more years.] As
used in this section:

(a) "Converted wetlands" means agriculturally managed wetlands that, on or before June
30, 1989, were brought into commercial agricultural production by diking, draining, leveling,
filling or any similar hydrologic manipulation and by removal or manipulation of natural
vegetation, and that are managed for commercial agricultural purposes.

(b) "Converted wetlands" does not include any stream, slough, ditched creek, spring, lake
 or any other waters of this state that are located within or adjacent to a converted wetland
 area.

39 <u>SECTION 4.</u> ORS 196.905, as amended by section 6, chapter 516, Oregon Laws 2001, and section
 40 13, chapter 253, Oregon Laws 2003, is amended to read:

41 196.905. (1) Notwithstanding the exemptions in subsections (3) to (8) of this section, a permit
42 under ORS 196.600 to 196.905 is required for any fill or removal of material in or from the waters
43 of this state when:

(a) The fill or removal is a part of an activity whose purpose is to bring an area of state waters
into a use to which it was not previously subject; and

1 (b)(A) The flow or circulation of the waters of this state may be impaired; or

2 (B) The reach of the waters may be reduced.

3 (2) Nothing in ORS 196.600 to 196.905 applies to removal of materials from the beds or banks

4 or filling of the waters of a nonnavigable natural waterway, or any portion thereof, in this state, if:

5 (a) Such waterway or portion is situated within forestland; and

6 (b) Such removal or filling is directly connected with a forest management practice conducted 7 in accordance with ORS 527.610 to 527.770, 527.990 and 527.992.

- (3) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, on converted wetlands for normal farming and ranching activities such as plowing, grazing, seeding, **planting**, cultivating, conventional crop rotation[,] **or** harvesting [for the production of food and fiber, upland soil and water conservation practices or reestablishment of crops under federal conservation reserve
- 12 program provisions].

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(4) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, on lands zoned for
 exclusive farm use as described in ORS 215.203 for the following activities [on exclusive farm use
 zoned lands]:

16 (a) Drainage or maintenance of farm or stock ponds; or

17 [(b) Subsurface drainage, by deep ripping, tiling or moling, on converted wetlands;]

18 [(c)] (b) Maintenance of farm roads, provided that:

(A) The farm roads are constructed and maintained in accordance with construction practicesdesigned to minimize any adverse effects to the aquatic environment;

(B) Borrow material for farm road maintenance does not come from waters of this state unless
 authorized by the Department of State Lands; and

(C) Maintenance activities are confined to the scope of construction for the original project.[;
 and]

[(d) Any activity described as a farm use in ORS 215.203 that is conducted on prior converted cropland as described in subsection (10)(a) of this section, so long as agricultural management of the land has not been abandoned for five or more years.]

(5) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for any activity
defined as a farm use in ORS 215.203, on lands zoned for exclusive farm use pursuant to ORS
215.203, if the lands are converted wetlands that are also certified as prior converted
cropland by the Natural Resources Conservation Service of the United States Department
of Agriculture, or its successor agency, so long as commercial agricultural production on the
land has not been abandoned for five or more years.

(6) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for the reestablishment of crops under federal conservation reserve program provisions set forth in 16
U.S.C. 3831 as in effect on the effective date of this 2009 Act.

37 [(5)] (7) The [exemption] exemptions in subsections (3) [and (4)] to (6) of this section [may] do 38 not apply to any fill or removal [which] that involves changing an area of wetlands or converted 39 wetlands to a nonfarm use.

40 [(6)] (8) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for the main-41 tenance or reconstruction of structures such as dikes, dams, levees, groins, riprap, tidegates, drain-42 age ditches, irrigation ditches and tile drain systems, provided that:

43 (a) The structure was serviceable within the past five years; and

44 (b) Such maintenance or reconstruction would not significantly adversely affect wetlands or 45 other waters of this state to a greater extent than the wetlands or waters of this state were affected

as a result of the original construction of those structures. 1

 $\mathbf{2}$ [(7)] (9) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for temporary dams constructed for crop or pasture irrigation purposes that are less than 50 cubic yards, provided 3 the following conditions are satisfied: 4

 $\mathbf{5}$ (a) The removal or filling is conducted during periods that minimize adverse effects to fish and wildlife in accordance with guidance provided by the State Department of Fish and Wildlife; 6

7 (b) The removal or filling does not jeopardize a threatened or endangered species or adversely modify or destroy the habitat of a threatened or endangered species listed under federal or state 8 9 law; and

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(c) Temporary fills are removed in their entirety and the area is restored to its approximate original elevation. 11

12 [(8)] (10) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for mainte-13nance, including emergency reconstruction of recently damaged parts, of currently serviceable roads or transportation structures such as groins and riprap protecting roads, causeways and bridge 14 15 abutments or approaches.

16 [(9)] (11) Nothing in ORS 196.800 to 196.900 applies to removal or filling, or both, for the maintenance of access roads constructed to move mining equipment, subject to the following conditions: 17

18 (a) The access roads are constructed and maintained in accordance with construction practices that minimize adverse effects to the aquatic environment; 19

(b) Borrow material for access road maintenance does not come from waters of this state unless 20authorized by the Department of State Lands; and 21

(c) Maintenance activities are confined to the scope of construction for the original project.

23(12) The department may adopt a rule that exempts from the requirement to obtain a permit under ORS 196.800 to 196.900 voluntary habitat restoration projects that have only 24minimal adverse impact on waters of this state. 25

[(10)] (13) [For the purposes of this section:] 26

27[(a) "Converted wetland" means:]

[(A) Wetlands that on or before June 30, 1989, have been diked, drained, dredged, filled, leveled 28or otherwise manipulated to impair or reduce the flow, circulation or reach of water for the purpose 2930 of producing an agricultural product and are managed for that purpose; or]

31 [(B) Those areas that the Natural Resources Conservation Service of the United States Department 32of Agriculture, or its successor agency, certifies as prior converted cropland or farmed wetlands, so long as agricultural management of the land has not been abandoned for five or more years.] As used 33 34 in this section:

35 (a)(A) "Converted wetlands" means agriculturally managed wetlands that, on or before June 30, 1989, were brought into commercial agricultural production by diking, draining, 36 37 leveling, filling or any similar hydrologic manipulation and by removal or manipulation of 38 natural vegetation, and that are managed for commercial agricultural purposes.

(B) "Converted wetlands" does not include any stream, slough, ditched creek, spring, lake 39 or any other waters of this state that are located within or adjacent to a converted wetland 40 area. 41

42(b) "Harvesting" means physically removing crops or other agricultural products.

(c) "Plowing" includes all forms of primary tillage, including moldboard, chisel or wide-blade 43 plowing, discing, harrowing or similar means of breaking up, cutting, turning over or stirring soil 44 to prepare it for planting crops or other agricultural products. "Plowing" does not include: 45

1 (A) The redistribution of soil, rock, sand or other surface materials in a manner that changes 2 areas of waters of this state into dry land; or

(B) Rock crushing activities that result in the loss of natural drainage characteristics, the reduction of water storage and recharge capability, or the overburdening of natural water filtration
capacity.

6 (d) "Seeding" means the sowing of seed or placement of seedlings to produce crops or other 7 agricultural products.

8 <u>SECTION 5.</u> The amendments to ORS 196.815, 196.825 and 196.905 by sections 1 to 4 of this 9 2009 Act apply only to permits first applied for or permits renewed on or after the effective 10 date of this 2009 Act.

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