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7 June 2011

MEASURE: HB 3374
EXHIBIT: X
HOUSE REVENUE COMMITTEE
DATE: 6/8/2011 PAGES: 6
SUBMITTED BY: WARREN ANEY

Re: HB3374 (Oregon Wild Bird Conservation Act)

How do we pay for fish and wildlife conservation in Oregon? In particular, how are we paying for those state programs carried out by Oregon Department of Fish and Wildlife?

Historically, state fish and game programs were supported by hunting and angling license fees and other state funds. Then, in 1937 Congress enacted the Federal Aid to Wildlife Restoration Act, commonly named the "Pittman-Robertson Act" after its congressional sponsors. This act imposed an 11% excise tax on sporting arms and ammunition, collected at the manufacturer level. These funds are apportioned to the states for wildlife and wildlife habitat conservation, research and hunter education. These state programs centered on hunted species and the Act received widespread support from both industry and hunters.

In 1950 Congress enacted the Federal Aid in Sport Fish Restoration Act, commonly named the "Dingell-Johnson Act" after its original congressional sponsors. This act imposed a 10% excise tax on sport fishing tackle, collected at the manufacturer level, plus other taxes on fishing and boating related items. These funds are apportioned to the states for programs such as sport fish management and restoration, aquatic education, wetlands restoration, and boat safety and sanitation. This Act also received wide support from both industry and anglers.

These federal taxes now provide almost \$600 million per year for state programs. Oregon will receive over \$12 million this year for wildlife restoration (including hunter education) and sport fish restoration programs. These apportionments require a 25% match from state funds.

Since the 1930s the state of Oregon has been dedicating hunting and angling license and tag revenues to fish and wildlife conservation. Because of Oregon Fish and Wildlife Commission policy, hunting and angling revenues must be used to support the programs under which they were collected. That makes it a challenge to fund activities that do not directly support game wildlife or sports fish programs.

According to a recent study, about 600 thousand people in Oregon fish, about 300 thousand hunt, and 1.7 million engage in wildlife viewing as a recreational activity. Anglers in Oregon spent about \$780 million pursuing their sport. Hunters spent almost \$520 million. Persons engaged in wildlife viewing spent over \$1 billion pursuing their activity.

So perhaps we should think of this as an equity issue: Oregon hunters and anglers provide over \$50 million in each year to support fish and wildlife conservation programs. Many more Oregonians participate in wildlife viewing activities, yet they in effect provide no direct financial support to state wildlife conservation programs.

Several states have aggressive and successful programs that broaden funding support. For example, Minnesota Department of Conservation receives funds from a state tax checkoff (as does Oregon), from a lottery ticket sales tax, and from a 2008 conservation funding addition to the state sales tax. Arkansas also

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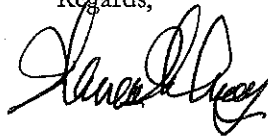
allocates part of its sales tax to fish and wildlife, and also allocates part of the real estate transfer taxes. Besides a sales tax allocation, some other states fund general wildlife conservation programs through such things as an allocation of a part of real estate transfer tax collections, part of state lottery income, license plate fees or an outdoor equipment sales tax.

The Oregon Conservation Strategy is a landmark document that addresses the needs of all of Oregon's species, not just those that are hunted and fished for. It is considered one of the nation's best state wildlife plans and has been embraced by a wide range of hunting, fishing, conservation, agriculture and forestry organizations. It provides big picture perspectives with clear priorities that focus on a comprehensive, collaborative approach to habitat and species conservation. Oregon Department of Fish and Wildlife needs sufficient, long-range, and stable funding to support the partnerships and planning needed for actions critical to the Strategy's success. Successful action requires adaptive management based on science-based planning, execution and evaluation.

A dedicated and influential team has been working since early 2008 to develop funding that would help implement the Oregon Conservation Strategy. This team represents 30 conservation organizations and entities, including angling and hunting organizations. We are proposing a single, simple and direct concept, which we've decided to name the Oregon Wild Bird Conservation Act. It bases funding on a 5 cents per pound fee on wild bird feed collected at the wholesale distribution level.

How much revenue could be generated from this fee on wild bird feed? One of our team members, Scott Lukens (owner of Backyard Bird Shops and a wild birdseed distributor) assured us this was a big business. We obtained some good estimates of volume from Oregon Department of Agriculture and surveyed shelf prices at the retail level. The proposed 5 cents per pound fee would raise retail prices about 3 to 6 percent and generate about 2 million dollars per year. These Wild Bird Conservation Act revenues could be used to implement the Oregon Conservation Strategy, particularly those aspects enhancing wildlife viewing species and their habitats. These efforts would benefit native songbirds and other strategy species, involve a diversity of people and organizations, promote nature-based activities and developments, and restore habitats within both urban and rural areas.

Regards,



Warren W. Aney

Enclosure: News clippings

Fixed bag of hunting, fishing bills

Two tracks nearly 200 bills and joint resolutions in the 2011 legislative session

Issues on waders may be all right for all, no-limit bass and panfish fishing may have slipped the net, hunting cougars with dogs may or may not be treed and maybe the Department of Fish and Wildlife and Oregon Game Board will go away. We're not sure.

As things move into the 2011 legislative session, questions are shaping up, and anglers and hunters still wonder how biennial lawmaking will affect the answers.



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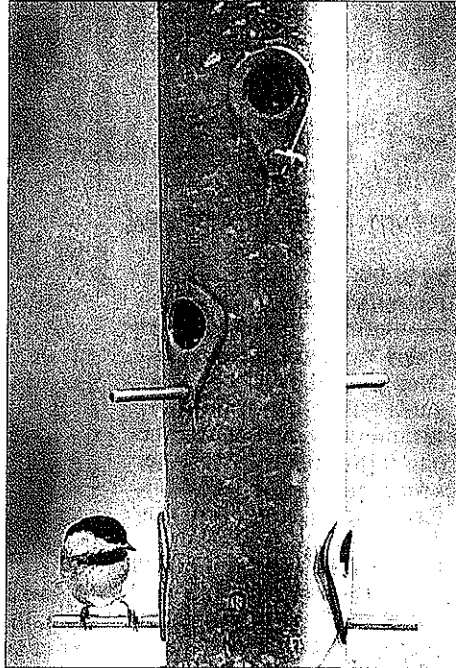
**DOORS
STARY**

With most of this session's proposed legislation either in place or behind the locomotive, the Oregon Department of Fish and Wildlife is tracking nearly 200 bills and joint resolutions. Legislators have until early next year to schedule hearings and/or work on issues they want to leave on the table. The rest will be dead on sidings. Bills only move along if they're scheduled for work sessions after an initial

session. some of the issues, bad and their status as of this past week: tax on birdseed to help pay for wildlife management: This has not been stubbornly resisted for unfortunately remains an up- especially given the current Past Legislatures charged the Department of Fish and Wildlife (funded by state and federal angling and venues) with managing all of wildlife species.

Do not ask all of the state's wildlife viewers to also share the costs? We're songbirds we love to feed face some serious problems as that could be more easily addressed the research and specific attention would generate.

This has widespread support from groups and even some hunting organizations (Ducks Unlimited, for example). It's begging for a work



THE OREGONIAN/2007

A bill to create a tax on birdseed to help pay for non-game wildlife management has widespread support from birding groups.

session.

- Merge the Oregon Department of Fish and Wildlife with other agencies: Companion bills are in both the Senate and House to merge several agencies into a Department of Natural Resources or similar mega-department and end the Fish and Wildlife Commission. A hearing has been held in the Senate. While this may seem like a potential cost-cutter, those close to the process say studies suggest little or no savings. That would mean simply a loss of accountability and oversight.

- End the Oregon State Marine Board: No hearing or work session is scheduled. The Marine Board is completely user-funded and historically has been one of the state's most efficient agencies.

- Remove catch limits on non-native fish: Bass, panfish, walleye, etc., would become fair game and the Department of Fish and Wildlife would quit managing non-native species. The bill has had a hearing, but

no work session. Organized bass anglers (mostly) believe they've sidetracked this sucker, but only time will tell.

- Allow the use of dogs to hunt cougars: Several bills remain alive; one hearing was held, but no work sessions scheduled. This issue remains alive and, hopefully, will restore a much-needed measure of responsible wildlife management.

- Ban felt soles on fishing waders and boots: A bill has had a hearing, but no work sessions followed. The bill was aimed at helping to prevent invasive species (seed, spores, spawn, etc.) entering state waters and duplicates new laws in several other states. Unfortunately, it is not scheduled for a work session.

- Assess individual hunters up to \$50 for failing to comply with the mandatory reporting rule for big game hunts: No work session has been held and this one didn't go over well in committee.

- Gill-netting on the Columbia River: One bill would ban gill-netting on the river; another would limit netters to off-river zones out of the path of most returning wild salmon. Both remain alive, with one or both probably due for a hearing later this month.

Dogs on cougar research: The Department of Fish and Wildlife is working with Oregon State University, Confederated Tribes of the Umatilla Indian Reservation and the U.S. Forest Service in cougar research that relies on dogs.

But they're not chasing cougars, just their kills.

A pair of dogs have been trained to find the remains of cougar prey. The dogs significantly cut the time of searches and can lead researchers to fresh kills instead of waiting until spring's snowmelt.

Accelerated discovery may also result in more timely analysis of DNA in cougar scat, which could lead to far more accurate (and less costly) estimates of cougar numbers.

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'Nickel for the birds' would boost habitat

Birders say they're willing to pay extra when buying birdseed

By **DEBBY DE CARLO**
Pamplin Media Group

Art Vanderzanden's relatives made their way to Oregon's Willamette Valley in 1875, settling the town of Verboort, north of Forest Grove, now famous for its sausage festival each November. Vanderzanden, 73, remembers walking to Visitation Catholic School as a young boy. Between the family farm and the school two miles away, he and his siblings saw Oregon's state bird, the western meadowlark, in the fields and along the side of the road, its melodious song easily recognizable to the school children.

"They were thick," he says of the birds. "Now you never see them."

Habitat loss has all but eliminated Oregon's state bird from the Willamette Valley, and it's not the only bird species in trouble.

While Oregon Department of Fish and Wildlife's budget for game birds has protected and restored habitat — thanks to revenue from hunting and fishing licenses — less than 2 percent of ODFW's budget goes to non-game species such as meadowlarks, bluebirds and bobolinks.

Since bird watchers don't need a license to watch birds, state Rep. Chris Garrett, D-Lake Oswego, has introduced House Bill 3374, dubbed the Wild Bird Conservation Act, in the 2011 legislative session. It would tax birdseed at a nickel per pound, with revenue going to wild bird habitat protection. The idea originally came from Scott Lukens, owner of the Portland-area Backyard Bird Shop



PAMPLIN MEDIA GROUP: CHRISTOPHER ONSTOTT

Darlene Betat works at Backyard Bird Shop's Northeast Portland store. The company is lobbying for a new birdseed tax that will benefit bird conservation, though it will raise prices on its leading product.

income at his seven stores coming from seed sales, Lukens knows his customers value the avian visitors to their yards and wouldn't mind pitching in "a nickel for the birds."

Lukens and others, including the Portland Audubon Society, The Nature Conservancy and Oregon Department of Fish and Wildlife, had a bill ready to go two years ago, but decided the time wasn't right. Now they have their ducks in a row.

"We refined the bill and thought about how we'd administer the money," Lukens says. The bill includes provisions for an oversight committee.

He predicted the nickel-per-pound tax would raise \$2 million to \$4 million in revenue every two years. "Almost all the

preservation and restoration, bluebird recovery and backyard habitat improvement and certification," Lukens says.

"People want to see tax money spent wisely. I know I do."

Lukens notes that people spend millions of dollars annually in Oregon watching birds, and not just in their backyards. According to Travel Oregon, people spent \$462 million in the state in 2009 on accommodations, meals, binoculars and other necessities as they watched birds and other wildlife.

For Lukens, it's a matter of making sure there are birds around for the next generation. With a concerted effort made possible by the Wild Bird Conservation Act, Art Vanderzanden's descendants may one day see meadowlarks return to Verboort and all across the state.

"Almost all the money would go to grassland preservation and restoration, bluebird recovery and backyard habitat improvement and certification."

— **Scott Lukens,**
Backyard Bird Shop owner

Proposed 5-cent tax on seed sold in Oregon not at all birdbrained

Published: Sunday, April 10, 2011

By **Anna Griffin, The Oregonian**

Scott Lukens, owner of the **Backyard Bird Shop** chain, estimates that nine out of every 10 customers who visit his stores come to buy birdseed.

So it's no shock that Lukens is getting calls from suppliers and customers about his support for **House Bill 3374, which would impose a 5-cent tax on every pound of seed sold in Oregon.**

Lukens' callers want to know whether he's serious -- a polite, bird-watching community way of asking whether he's lost his meadowlark-loving mind: "The point they make is that this is my business and it will have a direct effect on my business."

Oregon could use more of Lukens' brand of crazy. Plenty of special-interest groups want more money for their programs and projects. Few are willing to say: "This is important. So tax us."

"My customers and I have the largest vested interest in making sure we don't lose our birds," said Lukens, a soft-spoken man who founded his small chain 20 years ago. "This isn't a lot of money, but it could do a lot of good."

Through licenses and other fees, hunters and fishermen already pay to help protect ducks and other game birds. But the amount Oregon spends on nongame birds -- bluebirds, finches, rufous hummingbirds and other winged creatures that are more fun to watch than shoot -- totals less than 2 percent of the state's annual wildlife budget. In recent years, researchers have reported noticeable drops in several species, including Oregon's state bird, the western meadowlark.

"It's much more expensive to help birds after they're declared endangered," said Bob Sallinger, the **Audubon Society of Portland's** conservation director.

Here in Oregon, timber country before the northern spotted owl started disappearing, we should know that better than anyone. The idea for a birdseed tax has been in the works for years. "If you're looking for ways to raise money for conservation, birdseed makes sense because it's quantifiable," Sallinger said. "It's not like you're talking about taxing people who smoke or drink. You're asking people who already enjoy an activity to help pay to preserve it."

Yet any seed fee, at its essence a voluntary sales tax on a specific group, remains a hard sell. Some fiscal conservatives don't like the idea of any new taxes. And some birders say seed, which can run from \$10 to \$40 for a 20-pound bag, is already too expensive.

Rep. Chris Garrett, a Lake Oswego Democrat, proposed a 10 percent tax on birdseed sales in 2009. That died. This year, bird lovers are asking for a nickel fee on each pound sold. The measure, sponsored by the House Revenue Committee, would sunset in 2020. Seed is most commonly sold in 20-pound bags, so that would amount to a buck a bag.

Birders estimate the tax could raise \$2 million a year, money that would qualify Oregon to receive a matching amount from the federal government. The state would hire one new employee to oversee a "Wild Bird Conservation Fund" to preserve land where birds feed and nest and to teach Oregonians how to better coexist with birds.

"I know there are some people who are just anti-tax," Lukens said. "But when I talk to my customers, the ones who will actually be paying this, they walk out of the store or get off the phone understanding and seeming to support what I'm talking about."

That's because what he's saying makes perfect sense.

-- **Anna Griffin**

EAST OREGONIAN

OUR VIEW

Small fee on seed will pay to help our native birds

Tuesday, April 12, 2011

Tacking an excise tax on a specialty product flies in the face of political common sense in these tough economic times.

But there just such a bill in the Legislature — House Bill 3374 — that deserves passage because it makes good sense.

In this case, the miniscule fee is included in the Wild Bird Conservation Act (HB 3374). We believe the Legislature should pass the bill this session.

It would add a 5 cents per pound on wild bird feed distributed for sale in Oregon. The “nickel for birds” fee would be imposed at the wholesale distributor level and would likely be passed on to the retail buyer.

The fee is being sought because more than one out of four native bird species in Oregon is experiencing long-term declines.

Wildlife conservation is largely funded by fees charged to the state’s 300,000 hunters and 600,000 anglers. Those two groups pay \$62 million each year in license and equipment fees to directly support state management of fish and wildlife.

Yet, despite the fact that 1.7 million people take part in wildlife viewing in Oregon, there is no funding to support the management of the species they enjoy.

This bill helps solve that problem.

You see, each year, Oregonians purchase about 20,000 tons of wild birds seed. The excise fee of that seed would generate between \$2 and \$4 million every two years. The money generated by the fee would be used to enhance wild bird species — including those in serious decline such as the Western Meadowlark, Oregon’s official state bird, the Common Nighthawk, Willow Flycatcher, Rufous Hummingbird, several species of woodpeckers and numerous others.

Specifically, the money would be used to:

- directly fund habitat restoration projects on both rural and urban lands;
- provide information and education programs to help conserve Oregon's native bird species;
- build public and private partnerships for wild bird conservation efforts;
- support native bird management efforts by ODFW.

The most important argument for the fee is that it is supported by the people who purchase the feed. It has been endorsed by Ducks Unlimited, Inc., numerous Audubon Society groups throughout the state, the Oregon chapter of The Wildlife Society, Backyard Bird Shops, the Wetlands Conservancy, Trout Unlimited, the Izaak Walton League of America (Oregon division) and many individuals.

Reversing the declines of native bird species will minimize the risk of federal listing. The best way to achieve that is getting more Oregonians involved in voluntary conservation and funding — all for a mere five cents per pound of wild bird seed.

A nickel for birds is a price many Oregonians are willing to pay. The Legislature needs to pass this bill this session.