

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
<b>Vote:</b>	5 - 2 - 1
<b>Yeas:</b>	Bentz, Boone, Witt, Cannon, Gilliam
<b>Nays:</b>	Krieger, Thompson
<b>Exc.:</b>	Bailey
<b>Prepared By:</b>	Liz Puskar, Administrator
<b>Meeting Dates:</b>	4/12, 4/14

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**WHAT THE MEASURE DOES:** Specifies that it is state policy to conserve ecosystems, both through state regulatory compliance and incentives to private landowners. Encourages state agencies and local governments to adopt programs having market-based approaches to conserve ecosystems; identifies goals and characteristics of such programs. Requires Governor’s Office to review federal, state, and local conservation plans that could impact ecosystem services, to propose process for aligning those plans, and to recommend objectives for enhancing and maintaining ecosystem services. Requires Institute for Natural Resources to provide public and private entities with information to assist in development of public domain integrated ecosystem services methodologies; lists desired goals and characteristics of those methodologies. Permits state and local governments to allow credits for compensatory mitigation and water quality credit trading; suggests goals and considerations for governments relating to such credits. Encourages state agencies and local governments to compare cost, consider natural infrastructure, participate in public-private partnerships, and coordinate with federal agencies in developing and implementing ecosystem services projects, approaches, and methodologies. Encourages state natural resource agencies to consider certain specified goals and factors in implementing their duties and in providing any grants for conservation purposes. Encourages state agencies to specify, in any documents relating to grants for conservation purposes, circumstances under which ecosystems services may be sold to third parties. Establishes for what purposes and under what conditions state agencies may purchase credits for ecosystem services. Identifies protection and restoration of ecosystem services as policy goal for purposes of administering state water quality statutes. Requires Department of State Lands to consider protection, restoration, and enhancement of ecosystem services as beneficial uses of water in administering fill and removal statutes. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Benefits of public-private partnerships, including incentive payments to landowners and reduced costs to governments
- Definition of terms
- Success of pilot project in Washington County relating to water cooling
- Need for a “next generation” of Senate Bill 513 from 2009 Regular Session

**EFFECT OF COMMITTEE AMENDMENT:** Replaces measure.

**BACKGROUND:** The term “ecosystem services” refers to the collective set of benefits that derive from natural ecosystems. These benefits include both products, such as clean drinking water, and processes, such as the decomposition of wastes. In 2009, the Legislative Assembly passed into law Senate Bill 513, which included several provisions relating to ecosystem services and which required the establishment of a work group on ecosystem services markets. Several provisions of House Bill 3109 A are the result of recommendations by that work group.