

HOUSE AMENDMENTS TO HOUSE BILL 3109

By COMMITTEE ON ENERGY, ENVIRONMENT AND WATER

April 21

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the line and insert “196.805,
2 468.583 and 468B.015; and”.

3 Delete lines 5 through 27 and delete pages 2 through 5 and insert:
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“STATE POLICY REGARDING ECOSYSTEM SERVICES

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7 **“SECTION 1.** ORS 468.583 is amended to read:

8 **“468.583. (1) It is the policy of this state to:**

9 **“(a) Support the maintenance, enhancement and restoration of ecosystem services throughout**
10 **Oregon, focusing on the protection of land, water, air, soil and native flora and fauna[.];**

11 **“(b) Favor approaches to compliance with state regulatory requirements that maintain**
12 **the integrity of ecosystem services at the watershed or other appropriate landscape scale;**

13 **“(c) Conserve ecosystems in a manner that provides long-term ecological, economic and**
14 **social benefits; and**

15 **“(d) Provide incentives to private landowners to conserve ecosystem services.**

16 **“(2) State agencies and local governments are encouraged to adopt and implement pro-**
17 **grams that use market-based approaches to conserve or enhance ecosystem services as one**
18 **approach to meet conservation, economic and environmental regulatory goals within the**
19 **context of existing programs. Such market-based programs should, to the greatest extent**
20 **practicable, be designed to:**

21 **“(a) Provide an opportunity for added economic return to agricultural and forest land-**
22 **owners who exercise good stewardship;**

23 **“(b) Result in restoration and maintenance jobs that provide family wages;**

24 **“(c) Produce enduring, quality conservation, permitting and mitigation outcomes that**
25 **make the greatest ecological difference by targeting priority areas that contain important**
26 **resources or connectivity between existing conservation lands;**

27 **“(d) Increase the pace of conservation and habitat restoration;**

28 **“(e) Provide disincentives for actions that negatively impact priority areas and services;**

29 **“(f) Produce a positive trend in the recovery of species and ecosystems that contribute**
30 **to the full suite of values of biodiversity and ecosystem services;**

31 **“(g) Complement and add value to other conservation strategies and programs;**

32 **“(h) Operate efficiently with low transaction costs; and**

33 **“(i) Have clear and predictable rules and provide for transparent, accountable and credi-**
34 **ble transactions.**
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3 **“GOVERNOR’S OFFICE**

4 **“SECTION 2. (1) Before the end of calendar year 2012, the Governor’s office, with as-**
5 **sistance from the Oregon Watershed Enhancement Board, shall:**

6 **“(a) Facilitate a review of relevant local, state, regional and federal conservation plans**
7 **that could impact ecosystem services as defined in ORS 468.581 and propose a process for**
8 **these plans to be spatially aligned and coordinated, with a focus on potential costs savings**
9 **and efficiencies in the implementation of the conservation plans.**

10 **“(b) Recommend objectives that support the maintenance, enhancement and restoration**
11 **of ecosystem services as described in ORS 468.583.**

12 **“(2) The Governor’s office shall make information about the process proposed under**
13 **subsection (1)(a) of this section, and information about the recommended objectives devel-**
14 **oped under subsection (1)(b) of this section, available to the public on the website of the**
15 **Governor’s office.**

16 **“INSTITUTE FOR NATURAL RESOURCES**

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18 **“SECTION 3. (1) The Institute for Natural Resources created under ORS 352.239 shall,**
19 **to the extent practicable, provide information to local governments, state agencies, federal**
20 **agencies, conservation organizations, private landowners and businesses to assist in the de-**
21 **velopment of public domain integrated ecosystem services methodologies that:**

22 **“(a) Use multiscale modeling applicable to landscape and site level assessments;**

23 **“(b) Address context in terms of value within the broader ecosystem;**

24 **“(c) Are applicable to all land and water types;**

25 **“(d) Address water quality, carbon quantity and diversity functions and values;**

26 **“(e) Can be applied with low transaction costs;**

27 **“(f) Incorporate best available ecological information;**

28 **“(g) Are compatible with existing methodologies where appropriate;**

29 **“(h) Are transparent;**

30 **“(i) Provide consistent results;**

31 **“(j) Quantify ecological values individually and generate an overall ecosystem integrity**
32 **score;**

33 **“(k) Provide for the monitoring of cumulative effects and overall program effectiveness;**
34 **and**

35 **“(L) Are flexible enough to allow private landowners to receive payments for multiple**
36 **types of ecosystem services.**

37 **“(2) The Institute for Natural Resources shall make any information relevant to inte-**
38 **grated ecosystem assessment methodologies developed under subsection (1) of this section**
39 **available on its website.**

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41 **“STATE AGENCIES AND LOCAL GOVERNMENTS**

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43 **“SECTION 4. (1) State agencies and local governments may allow the use of credits for**
44 **ecosystem services for compensatory mitigation and water quality credit trading. If credits**
45 **are used, state agencies and local governments may ensure that:**

1 “(a) Projects result in a net gain in overall ecosystem services, with a clear emphasis on
2 the most sensitive resources;

3 “(b) Long-term ecological viability is considered, and preference is given to sites with the
4 greatest potential to endure;

5 “(c) Mitigation and trading investments are structured for the protection and enhance-
6 ment of the priority resources identified in state and local conservation plans;

7 “(d) The acquisition of credits for ecosystem services is allowed in advance of compliance
8 needs;

9 “(e) Service area boundaries are, to the extent practicable, flexible enough to capture
10 significant ecological benefits but do not result in the severe loss of localized ecological
11 function in favor of restoration in a distant location;

12 “(f) Ecological assessments for mitigation purposes are, to the extent practicable,
13 functions-based, where methodologies are available to quantify ecological functions; and

14 “(g) Preservation and restoration are both considered appropriate for mitigation and
15 trading.

16 “(2)(a) State agencies and local governments are encouraged to compare cost and con-
17 sider natural infrastructure as part of, or in lieu of, new development projects and
18 infrastructure.

19 “(b) In order to encourage state agencies and local governments to compare cost and
20 consider natural infrastructure as described in paragraph (a) of this subsection, the Oregon
21 Watershed Enhancement Board is encouraged to coordinate with state agencies, local gov-
22 ernments and the private sector to develop technical assistance tools that support and fa-
23 cilitate the use of natural infrastructure as part of, or in lieu of, new development projects
24 and infrastructure.

25 “(3) State agencies and local governments are encouraged to participate in public-private
26 partnerships to develop, test and implement ecosystem services approaches and methodol-
27 ogies.

28 “(4) State agencies and local governments are encouraged to coordinate with federal
29 agencies when implementing programs related to ecosystem services.

30 “**SECTION 5.** (1) State natural resource agencies, in implementing their duties and in
31 providing any grants for conservation purposes, are encouraged, to the greatest extent
32 practicable, to undertake projects and programs that:

33 “(a) Are consistent with local or state conservation plans;

34 “(b) Ensure long-term environmental stewardship;

35 “(c) Address multiple conservation values, especially resilience to challenges related to
36 climate change, carbon sequestration, water quantity and quality and biodiversity;

37 “(d) Emphasize the protection of high-quality, functioning ecosystems;

38 “(e) Focus on restoration where restoration efforts will most likely be successful;

39 “(f) Provide incentives to private landowners who voluntarily implement conservation
40 measures on their property; and

41 “(g) Are relatively low cost.

42 “(2) In any documents related to grants for conservation purposes, state natural re-
43 source agencies are encouraged to specify the circumstances under which ecosystem services
44 may be sold to third parties.

45 “**SECTION 6.** A state agency may purchase or receive credits for ecosystem services:

