

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue: Revenue lite statement issued

Fiscal: Fiscal statement issued

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Krista McDowell, Legislative Fiscal Office

Meeting Date: 05/13/2013

WHAT THE MEASURE DOES: Prohibits raising canola in Willamette Valley. Prohibits Oregon Department of Agriculture (ODA) from designating any control area in Willamette Valley that allows raising of canola. Authorizes ODA to assess civil penalty, not to exceed \$25,000, against person who raises canola in violation of Act. Applies to raising canola planted or after effective date of Act. Sunsets prohibition on growing canola in Willamette Valley on January 2, 2018. Directs College of Agricultural Sciences of Oregon State University to conduct peer-reviewed study and report results to interim committee of Legislative Assembly no later than November 1, 2016. Terminates growing prohibition 31 days after 77th Legislature adjourns if research is not funded. Identifies study components. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: (-A8 amendment) Permits the growing of Canola in a control area established by the Department of Agriculture on or before January 1, 2012. Permits producers, who grew canola within the control area between January 1, 2007 and December 31, 2012, to continue to grow canola on an amount of acreage that does not exceed the largest amount of canola historically grown between January 1, 2007 and December 31, 2012.

BACKGROUND: Canola is an oilseed crop from plants in the mustard family (*Brassicaceae*). The members of the genus are collectively known as cruciferous vegetables, cabbages, or mustards. Common types of brassica used for food include cabbage, cauliflower, broccoli, Brussel sprouts, and radish. The term "canola" is widely used to refer to rapeseed; canola is a variety of rapeseed bred to have properties for oil for human and livestock consumption as well as biodiesel production.

In early 2013, ODA adopted an administrative rule that allows some canola production while also establishing a rapeseed exclusion zone. Most of the Willamette Valley remains a protected district with two zones. A majority of the specialty seed production remains in a rapeseed exclusion zone of nearly 2 million acres where canola production is not allowed. A second zone of about 1.7 million acres allows the growing of canola but production is limited to a maximum annual total of 2,500 acres with a minimum field size of 25 acres. Producers intending to grow canola are required to apply for a contract with ODA that contains specific requirements for managing canola. ODA will award contracts for canola planting by September 1 of each year for requests received before July 15. Under this timeline, canola planting will take place no earlier than fall of 2013

House Bill 2427A directs the College of Agricultural Sciences of Oregon State University to conduct a peer-reviewed study on canola and report results to an interim committee of the Legislative Assembly no later than November 1, 2016.

The measure also prohibits the growing of canola in the Willamette Valley until 2018 if the Legislature provides funding for the study.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2427 - A8

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Krista McDowell
Reviewed by: Paul Siebert
Date: 4/3/2013

Measure Description:

Prohibits raising canola within Willamette Valley.

Government Unit(s) Affected:

Department of Agriculture, Oregon University System (OUS)

Summary of Expenditure Impact:

See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The bill, as amended, prohibits raising canola within the Willamette Valley, with certain exceptions, and establishes a civil penalty of not more than \$25,000 for violation of canola planted on or after effective date of the act. Oregon University System (OUS), specifically Oregon State University (OSU), is directed to conduct peer-reviewed research to study the potential threats and benefits of raising canola in the Willamette Valley as well as the possible economic impacts. The bill states if funding has not been authorized to conduct research, then the project will be terminated 31 days after adjournment of the 77th Legislative Assembly. OSU is directed to complete and report research results to an interim committee dealing with agriculture by no later than November 1, 2016.

Legislative Fiscal Office (LFO) notes that with the passage of SB 242 (2011), which changed OUS status to a non-state agency, OUS is no longer eligible for direct appropriation from the General Fund. Instead, all appropriations for use by OUS must be made to a state agency, in this case we assume the Department of Agriculture, for transfer to OUS.

The funding requested would support three years of research work by 5 positions (3.29 FTE) including a faculty supervisor, post doctoral students and research assistants. Additional expenses will include supplies and materials needed to support the field research, laboratory research and analysis, and operations. Expenditures are estimated to range from \$446,040 to \$650,000 General Fund in 2013-15 biennium.

A-Engrossed
House Bill 2427

Ordered by the House April 22
Including House Amendments dated April 22

Sponsored by Representative GELSER, Senator EDWARDS, Representative HOYLE; Representatives BARNHART, HOLVEY, NATHANSON, TOMEI (Presession filed.)

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.

Prohibits raising canola within Willamette Valley. Makes violation subject to civil penalty, not to exceed \$25,000. Prohibits State Department of Agriculture designation of control area allowing raising of canola within Willamette Valley. Applies to canola planted on or after effective date of Act.

Sunsetts statutory prohibitions January 2, 2018.

Requires Oregon State University to conduct study of canola, including relative potential for cross-pollination, occurrence in fields previously growing canola, potential for off-field movement, disease and insect assessment and economic impacts. Requires university to report results of study no later than November 1, 2016, to legislative committee dealing with agriculture.

Creates exception to prohibition against growing canola within Willamette Valley to extent necessary for Oregon State University to carry out required canola study. Terminates statutory prohibition against growing canola within Willamette Valley and prohibition against designation of control area to allow raising of canola within Willamette Valley 31 days after adjournment sine die of 2013 session of Legislative Assembly if funding has not been authorized for Oregon State University study of canola.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to canola; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section:**

5 **(a) "Canola" means plants of the genus Brassica:**

6 **(A) In which seeds having a high oil content are the primary economically valuable**
7 **product; and**

8 **(B) That have a high erucic acid content suitable for industrial uses or a low erucic acid**
9 **content suitable for edible oils.**

10 **(b) "Raising" means personal or commercial growing for oil, seed, forage, cover crop or**
11 **other use.**

12 **(c) "Willamette Valley" means Clackamas, Linn, Marion, Multnomah, Polk, Washington**
13 **and Yamhill Counties and the portion of Benton and Lane Counties lying east of the summit**
14 **of the Coast Range.**

15 **(2) Subject to subsection (4) of this section:**

16 **(a) A person may not engage in raising canola within the Willamette Valley; and**

17 **(b) Notwithstanding ORS 570.450, the State Department of Agriculture may not designate**
18 **any control area that allows the raising of canola within the Willamette Valley.**

19 **(3) The department may assess a civil penalty, not to exceed \$25,000, against a person**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 that raises canola in violation of subsection (2) of this section.

2 (4) The prohibitions established in subsection (2) of this section terminate 31 days after
3 adjournment sine die of the 2013 regular session of the Seventy-seventh Legislative Assembly
4 if funding has not been authorized by that date to allow the College of Agricultural Sciences
5 of Oregon State University to carry out the research duties of the college under section 4
6 of this 2013 Act.

7 **SECTION 2.** Section 1 of this 2013 Act applies to the raising of canola planted on or after
8 the effective date of this 2013 Act.

9 **SECTION 3.** Section 1 of this 2013 Act is repealed on January 2, 2018.

10 **SECTION 4.** (1) Notwithstanding section 1 of this 2013 Act, the State Department of Ag-
11 riculture shall authorize the growing of canola within the Willamette Valley to the extent
12 necessary to allow the College of Agricultural Sciences of Oregon State University to carry
13 out the research duties of the college under this section.

14 (2) The college shall conduct research to:

15 (a) Understand the cross-pollination potential of canola with Brassica specialty seed
16 crops and compare the potential for cross-pollination from canola with the potential for
17 cross-pollination from forage turnip seed crops and other Brassica crops;

18 (b) Conduct voluntary plant and seed bank assessments in fields that have grown canola
19 in previous seasons;

20 (c) Examine the potential for the off-field movement of canola, including but not limited
21 to movement in waterways;

22 (d) Conduct disease and insect assessment for canola crops and compare the assessment
23 for canola with the disease and insect assessment for Brassica specialty seed crops, forage
24 turnip seed crops, tillage radish seed crops and other Brassica crops; and

25 (e) Conduct an economic assessment of the potential economic impact of canola pro-
26 duction in the Willamette Valley, giving consideration to the economic impact of canola on
27 specialty seed crop and clover production, to the estimated value of canola production and
28 to the value of the enhanced yield of, and quality of, grass seed and wheat production fol-
29 lowing a canola rotation.

30 (3) All research described under subsection (2) of this section must be peer-reviewed.

31 (4) The college shall complete its research under this section and submit a report of the
32 research results to an interim committee of the Legislative Assembly dealing with agricul-
33 ture no later than November 1, 2016.

34 **SECTION 5.** This 2013 Act being necessary for the immediate preservation of the public
35 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
36 on its passage.

37

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2427**

1 On page 1 of the printed A-engrossed bill, line 15, delete “subsection (4)”
2 and insert “subsections (4) and (5)”.

3 On page 2, after line 1, insert:

4 “(4) The prohibitions in subsection (2) of this section do not apply to the
5 growing of canola:

6 “(a) In a control area established by the department on or before January
7 1, 2012;

8 “(b) By agricultural producers who grew canola within the control area
9 at any time between January 1, 2007, and December 31, 2012; and

10 “(c) On an amount of acreage that does not in any year exceed the largest
11 amount of acreage that grew canola in the control area during a calendar
12 year between January 1, 2007, and December 31, 2012.”.

13 In line 2, delete “(4)” and insert “(5)” and after “section” insert “and the
14 limitations described in subsection (4) of this section”.

15 In line 13, after the period insert “Any canola that the department au-
16 thorizes to be grown under this subsection is in addition to the amount of
17 canola authorized to be grown under section 1 (4) of this 2013 Act.”.

18
