

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass and Rescind the Subsequent Referral to the Committee on Ways and Means
<b>Vote:</b>	7 - 0 - 2
<b>Yeas:</b>	Esquivel, Krieger, Reardon, Thompson, Unger, Whitsett, Witt
<b>Nays:</b>	0
<b>Exc.:</b>	Clem, McKeown
<b>Prepared By:</b>	Beth Patrino, Administrator
<b>Meeting Dates:</b>	2/21, 3/5

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**WHAT THE MEASURE DOES:** Requires payments for off-site compensatory mitigation to Oregon Removal-Fill Mitigation Fund be sufficient to cover specified costs and expenses which may vary depending on region of state. Directs Department of State Lands (DSL) to calculate payment based on actual costs and expenses if project costs and expenses are identified at time of payment. Directs DSL to calculate payment based on estimate of costs and expenses for region where mitigation may be conducted for project not identified at time of payment. Takes effect January 1, 2014. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- How mitigation bank works
- Current approach doesn't consider regional differences in costs

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The 1987 Legislature established the Oregon Wetlands Mitigation Bank Revolving Fund Account, renamed the Oregon Removal-Fill Mitigation Fund (RFMF) in 2009. The fund was created to receive contributions and proceeds related to wetland mitigation, and funds are dedicated for these purposes (ORS 196.645 and 196.650).

Under state law, when impacts to wetlands and waterways occur as part of a removal-fill activity, mitigation to replace the lost functions of the resource is required. Mitigation may be accomplished through permittee-responsible mitigation, purchasing credits from private mitigation banks or, if there are no private bank credits available, purchasing credits from DSL. When mitigation credits are purchased from DSL, the funds are deposited into the RFMF. The agency then uses these funds to administer a grant program to construct wetland and waterway mitigation projects in the watershed in which the impacts occurred.

House Bill 2032 would identify the components of a cost calculation for a mitigation project and allow project costs to reflect regional differences.