

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 0 - 0
Yeas:	Bates, Hansell, Hass, Olsen, Dingfelder
Nays:	0
Exc.:	0
Prepared By:	Beth Reiley, Administrator
Meeting Dates:	5/8, 5/15

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. Requires DSL Director submit detailed report as specified, to Legislative Assembly and State Land Board annually by December 1. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- DSL Director would be required to report to Legislature and State Land Board
- 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 the Department of State Lands (DSL). When mitigation credits are purchased from DSL, the funds are deposited into the RFMF. DSL 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 A would identify the components of a cost calculation for a mitigation project and allow project costs to reflect regional differences.