
MEMORANDUM

Legislative Fiscal Office
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To: Transportation and Economic Development Subcommittee

From: Steve Bender, Legislative Fiscal Office
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Date: May 5, 2015

Subject: HB 2997 – Relating to state financial administration
Work Session Recommendations

House Bill 2997 appropriates \$250,000 of General Fund to the Oregon Business Development Department (OBDD) to finance cooperative efforts related to harvesting western juniper or manufacturing products from western juniper. OBDD may use these funds to provide technical business assistance, and to support market development and supply chain coordination for western juniper products. Funds may also be used to promote liaison efforts between western juniper harvesters, product manufacturers, and wildlife management programs. The bill identifies the National Policy Consensus Center at Portland State University, and community organizations, as eligible beneficiaries of OBDD support.

The House Committee on Agriculture and Natural Resources reported HB 2997 out with a Do Pass recommendation, and recommended that the bill be referred to the Joint Committee on Ways and Means. A copy of that committee's staff measure summary is attached. The summary notes that western juniper grows across more than six million acres of central and eastern Oregon. The majority of area forested by juniper is split between Bureau of Land Management and privately owned lands. Western juniper in Oregon has increased dramatically since the 1930's due to land management decisions, notably wildfire suppression. Juniper expansion affects plant communities, water availability, fire cycles, forage production and wildlife habitat and biodiversity.

The bill has no revenue impact.

Legislative Fiscal Office Recommendation

The Legislative Fiscal Office recommends amending the bill to change the fund source for OBDD from General Fund to Lottery Funds. Economic development is one of the constitutionally-authorized uses of Lottery Funds, and the Legislature typically allocates Lottery Funds, and not General Fund, to provide support for OBDD's business, innovation and trade programs. The activities funded in this bill qualify for Lottery Funds support.

The HB 2997-1 amendments replace the source of funds with Lottery Funds. The amendments do not make any other changes to the bill.

The Legislative Fiscal Office recommends one-biennium budget support of \$250,000 Lottery Funds to OBDD, and that House Bill 2997 be amended by the -1 amendments.

Motion: *Move adoption of the -1 amendments to HB 2997.*

HB 2997 Final Subcommittee Action:

Final Motion: *Move HB 2997, as amended, to the Full Committee with a Do Pass recommendation.*

Carriers:

Full Committee: _____

House Floor: _____

Senate Floor: _____

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
House Committee On Agriculture and Natural Resources

MEASURE: HB 2997

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 03/24/15

Action: Do Pass. Refer To Ways And Means.

Meeting Dates: 02/26, 03/05, 03/24

Vote:
Yeas: 8 - Esquivel, Frederick, Gorsek, Krieger, McKeown, McLain, Whitsett, Witt
Exc: 1 - Barreto

Prepared By: Chuck Gallagher, Committee Administrator

WHAT THE MEASURE DOES:

Appropriates \$250,000 to Oregon Business Development Department to fund efforts by National Policy Consensus Center of Portland State University and community organizations to provide assistance to businesses engaged in western juniper harvesting or manufacturing and promote liaison efforts between public and private activities relating to western juniper and wildlife management. Declares emergency, effective July 1, 2015.

ISSUES DISCUSSED:

- Ecology of western juniper
- Environmental benefits of juniper removal and restoration work
- Creating jobs in rural and eastern Oregon
- Commercial value of western juniper
- Potential for job creation through investments in juniper industry
- Finding skilled workers, lack of technical and entrepreneurial experience
- Need for increased infrastructure, workforce training and early support for industry
- Developing certification program and export opportunities
- Concerns about harvesting of old-growth juniper, regulation by ODA, and Oregon Forest Protection Act exemption

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Western juniper grows across more than 6 million acres of central and eastern Oregon. The majority of area forested by juniper is split between Bureau of Land Management and privately owned lands. Western juniper in Oregon has increased dramatically since the 1930s due to land management decisions, notably wildfire suppression. Juniper expansion affects plant communities, water availability, fire cycles, forage production and wildlife habitat and biodiversity.

House Bill 2997 would appropriate \$250,000 to the Oregon Business Development Department to provide assistance to businesses engaged in western juniper harvesting or manufacturing and promote liaison efforts between public and private activities relating to western juniper and wildlife management.

**PROPOSED AMENDMENTS TO
HOUSE BILL 2997**

1 Delete lines 4 through 19 of the printed bill and insert:

2 **“SECTION 1. Notwithstanding any other law limiting expenditures,**
3 **the amount of \$250,000 is established for the biennium beginning July**
4 **1, 2015, as the maximum limit for payment of expenses from lottery**
5 **moneys allocated from the Administrative Services Economic Devel-**
6 **opment Fund to the Oregon Business Development Department, for**
7 **business, innovation and trade, for the purpose of funding of cooper-**
8 **ative efforts by the National Policy Consensus Center of Portland**
9 **State University and community organizations to:**

10 **“(1) Provide businesses engaged in western juniper harvesting, or**
11 **in the manufacturing of products from western juniper, with technical**
12 **business assistance, market development and supply chain coordi-**
13 **nation between businesses, other private organizations and govern-**
14 **mental entities; and**

15 **“(2) Promote liaison efforts between public and private activities**
16 **and programs within this state for western juniper harvesting and re-**
17 **lated manufacturing, and public and private activities and programs**
18 **for wildlife management in order to address ecological or economic**
19 **interests and concerns.**

20 **“SECTION 2. This 2015 Act being necessary for the immediate**
21 **preservation of the public peace, health and safety, an emergency is**
22 **declared to exist, and this 2015 Act takes effect July 1, 2015.”.**

