

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3249

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Establishes Oregon Agricultural Heritage Fund and continuously appropriates moneys in fund to Oregon Watershed Enhancement Board.

Government Unit(s) Affected:

Department of Agriculture, Department of Revenue (DOR), Legislative Policy and Research Office (LPRO), Oregon Watershed Enhancement Board (OWEB)

Summary of Expenditure Impact: Oregon Watershed Enhancement Board

	2017-19 Biennium	2019-21 Biennium
General Fund	\$190,000	\$90,000
Total Funds	\$190,000	\$90,000

Analysis:

HB 3249 establishes the Oregon Agricultural Heritage Commission and the Oregon Agricultural Heritage Fund, and directs the Oregon Watershed Enhancement Board (OWEB) to establish programs that provide grants to owners of working land for succession planning, conservation management planning, covenants, and easements. OWEB is directed to use the funds in the Oregon Agricultural Heritage Fund to support these efforts. The Oregon Agricultural Heritage Commission is charged with assisting OWEB with the development of the grant program, recommending policies and priorities, and consulting with OWEB concerning grant applications.

Additionally, the bill requires the Legislative Policy and Research Office, in consultation with the Department of Revenue and the Department of Agriculture, to study financial incentives, incremental tax reduction, and tax elimination with regard to land transfer and succession planning for working land. The bill also requires the Legislative Policy and Research Office to report its findings to the Legislative Assembly no later than September 15, 2018.

OWEB has indicated that to complete the work prescribed in the bill, they would need to divert a Natural Resource Specialist 4 for approximately seven months during the 2017-19 biennium. Additionally, OWEB anticipates purchasing contracted services to assist with the rulemaking process, at a cost of \$100,000 during the 2017-19 biennium. Meeting and staff support for the Oregon Agricultural Heritage Commission is estimated to cost \$90,000 for the 2017-19 and 2019-21 biennium.

In addition, the bill establishes funds for which revenue sources have yet to be identified, and suggests that OWEB may need to dedicate resources to apply for grants or perform private fundraising activities. LFO is concerned that this language may set unrealistic expectations for future funding requests.

The bill is anticipated to have a minimal impact on the Department of Agriculture, Department of Revenue, and the Legislative Policy and Research Office.