

**HB 3249 STAFF MEASURE SUMMARY**

**House Committee On Agriculture and Natural Resources**

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**Action Date:** 04/13/17

**Action:** Do pass and be referred to Ways and Means by prior reference

**Vote:** 7-2-0-0

**Yeas:** 7 - Clem, McKeown, McLain, Power, Smith DB, Sprenger, Witt

**Nays:** 2 - Barreto, Esquivel

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**WHAT THE MEASURE DOES:**

Establishes Oregon Agricultural Heritage Fund (Fund) under authority of Oregon Watershed Enhancement Board (OWEB). Specifies rules for qualifying conservation management plan, working land conservation covenant and working land conservation easement, including requirement for working land to be managed in manner that supports one or more natural resource values such as maintaining or enhancing fish or wildlife habitat or improving water quality. Directs OWEB to establish programs to provide grants for purposes of assisting owners of working lands with succession planning; funding all aspects of developing and maintaining conservation management plans, working land conservation covenant or working land conservation easements; and providing development funding or technical assistance to organizations to enter into agreements resulting in conservation management plans, working land conservation covenants or working land conservation easements. Details criteria on which grant applications will be scored and requires investment from funding source, other than Fund, to receive grant funds. Authorizes agricultural owner or operator to receive cash, in-kind services, or other payment for practices related to purchasing, implementing, carrying out or monitoring conservation management plan. Prohibits duplicate payments from federal, state or private sources for same measures. Establishes Oregon Agricultural Heritage Commission (Commission); details requirements for appointments of Commission members; and rules for conducting Commission business. Directs Commission to assist OWEB in development of rules for administration of Fund programs, to provide funding recommendations for grants and succession planning and other functions essential to Fund programs. Directs Legislative Policy and Research Director (Director) to consult with Department of Revenue and Oregon Department of Agriculture and to conduct study examining financial incentives, incremental tax reduction and tax elimination with regard to land transfer and succession planning of working lands. Details requirements of study. Requires Director to report findings and recommendations to Legislative Assembly by September 15, 2018. Specifies amount of Fund that may be expended for administrative expenses and reimbursements of staff support and expenses of Commission limited to 12 percent of moneys credited to Fund for biennium ending June 30, 2019.

**ISSUES DISCUSSED:**

- Measure comes from work group of agricultural and conservation interests
- Succession planning for agricultural working lands
- Overview of conservation easements, covenants and management plans

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Oregon's rapid population growth and development during the 1960s and 1970s prompted concern about what effect growth might have on the environment, natural resources and the livability of communities. These concerns led to the passage of Senate Bill 100 (1973), which established the Land Conservation and Development Commission

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(LCDC), charged with adopting state land use goals, and the Department of Land Conservation and Development (DLCD), charged with assisting the commission and local governments in the implementation of those goals and with coordinating with state agencies in land use matters. The measure also directed local governments to adopt and implement comprehensive land use plans and revise them periodically.

In addition, the Oregon Watershed Enhancement Board (OWEB) was created in 1999 to provide grant funding to Oregonians for voluntary projects that take care of local streams, rivers, wetlands and natural areas. Community members and landowners use scientific criteria to decide jointly what needs to be done to conserve and improve rivers and natural habitat in the places where they live.

House Bill 3249 would establish the Oregon Agricultural Heritage Fund and direct moneys from the Fund to be administered by OWEB primarily for grants and technical assistance to help agricultural land owners and operators partner with organizations to enter into a conservation management plan, working land conservation covenant, or working land conservation easement for working land to be managed in a manner that supports one or more natural resource values. Funds would support owners of working land with succession planning and would authorize funding the purchasing, implementing and carrying out or monitoring of such plans, covenants or easements. The measure would also establish the Oregon Agricultural Heritage Commission and direct the Legislative Policy and Research Office to undertake a study, in consultation with partner agencies, to identify potential tax incentives and financial tools to improve the likelihood of continued use of working lands for agricultural and conservation purposes.