

HB 2438 A STAFF MEASURE SUMMARY
House Committee On Agriculture and Land Use

Action Date: 04/04/19

Action: Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

Vote: 7-0-0-0

Yeas: 7 - Boshart Davis, Clem, Helm, McLain, Post, Smith DB, Williams

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/21, 4/4

WHAT THE MEASURE DOES:

Appropriates \$_____ from the General Fund to the Department of Administrative Services for distribution to the Oregon Cascades West Council of Governments (OCWCOG). Requires that the moneys be used to hire employees, solicit bids, and to contract as needed to: (1) identify compensatory mitigation needs and opportunities in the region served by OCWCOG, and (2) develop, in a way that may be used as a model for other local governments, a business model and strategic plan for addressing identified compensatory mitigation needs through the development of a local, public wetland mitigation bank. Appropriates \$_____ from the General Fund to the Oregon Department of State Lands for providing responses to wetland land use notices received from local governments.

ISSUES DISCUSSED:

- 2018 Interim Wetland Regulation Work Group
- Mitigation challenges for affordable housing and other development projects
- Strategies to address the high and variable cost of mitigation credits
- History of public versus private mitigation banks in Oregon
- Possible roles for public mitigation banks in the future
- Oregon Cascades West Council of Governments
- Wetland mapping and the Statewide Wetland Inventory

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Compensatory mitigation aims to replace aquatic resource functions and values that are lost due to removal-fill project impacts. Current compensatory mitigation options include purchasing credits from a mitigation bank or in-lieu fee project, permittee-responsible mitigation, and payment-in-lieu mitigation. Purchase of mitigation bank credits is the option most frequently used by developers in recent years, with 21 banks operative in Oregon and five additional banks in-process. Most of these mitigation banks are privately owned. Mitigation banks set the price of their credits and release them over time, typically over five to seven years, as the project achieves performance measures for aquatic resource improvement.

ORS 196.674 directs the Oregon Department of State Lands (DSL) to compile and maintain a comprehensive Statewide Wetlands Inventory (SWI), and to revise the inventory maps as new or more complete information becomes available. In recent years, the SWI has consisted of the National Wetlands Inventory, Local Wetlands Inventories, and wetland delineations. In 2018, DSL updated the SWI to add and integrate the national hydrography data set and Natural Resources Conservation Service soil data sets. These changes will result in the SWI now showing areas that have a high probability of containing wetlands. The increased map coverage is

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expected to result in local jurisdictions submitting an increased number of Wetland Land Use Notices (WLUN) to DSL under ORS 196.676, 215.418, and 227.350. DSL estimates an approximate 50 percent annual increase from 481 WLUN to 732 WLUN per year on average.

House Bill 2438 A would appropriate moneys for distribution to the Oregon Cascades West Council of Governments to develop a strategic plan for the development of a regional public wetland mitigation bank, and would appropriate moneys to DSL for providing responses to wetland land use notices received from local governments.