Pew

February 10, 2023

Senator Jeff Golden
Chair, Senate Committee on Natural Resources
900 Court St. NE, S-421
Salem, Oregon 97301

**RE: Support with suggested changes for SB 530**

Dear Chair Golden and members of the Senate Committee on Natural Resources:

The Pew Charitable Trusts writes to express its support, with recommend changes, for SB 530: Relating to natural climate solutions.

Please find on the subsequent pages our nonpartisan research and analysis regarding justification for, and suggested changes to, SB 530, along with analyses of two related bills, SB 522: Relating to the Oregon Global Warming Commission, and HB 2527: Relating to wildlife habitat special assessment.

Sincerely,

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Senator Jeff Golden
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Representative Ken Helm
Chair, House Committee on Agriculture, Land Use, Natural Resources, and Water
900 Court St. NE, H-490
Salem, Oregon 97301

**RE: Support with suggested changes for SB 530, SB 522, HB 2527.**

Dear Chair Golden, Chair Helm and members of the Senate Committee on Natural Resources and House Committee on Agriculture, Land Use, Natural Resources, and Water:

The Pew Charitable Trusts writes to express its support, with recommend changes, for SB 530: *Relating to natural climate solutions*, SB 522*: Relating to the Oregon Global Warming Commission,* and HB 2527: *Relating to wildlife habitat special assessment*.[1,2,3] We base our support on the nonpartisan research and analysis presented below. These legislative proposals offer sound, timely investments for the state and advance existing Oregon priorities for mitigation and adaptation to climatic change, buffering against natural disasters, and increasing the function of natural and working lands that are vital to the resilience of human communities and the food systems on which Oregonians rely.

To maximize legislative cohesion, HB 2527, if amended, could remove barriers for the agricultural community and other landowners to participate in existing tax incentive programs and provide opportunity for landowners to achieve natural climate solutions goal embedded within SB 530.

## Contents



[1] 2023 Oregon Legislative Session. SB 530 - *Relating to natural climate solutions*
https://olis.oregonlegislature.gov/liz/2023R1/Measures/Overview/SB0530
[2] 2023 Oregon Legislative Session. SB 522 - *Relating to the Oregon Global Warming Commission*
https://olis.oregonlegislature.gov/liz/2023R1/Measures/Overview/SB522
[3] 2023 Oregon Legislative Session. HB 2527 - Relating to wildlife habitat special assessment
https://olis.oregonlegislature.gov/liz/2023R1/Measures/Overview/HB2527

## Background and Urgent Need for Oregon

Oregon's natural and working lands and waters – stewarded by coastal and inland forestry, farming, fishing, ranching communities, and Tribal sovereigns to support jobs and unique lifeways[4] across the state – are under threat, making SB 530, SB 522, and HB 2527 timely.

Weather patterns continue to increase in irregularity, including the occurrence of a 'heat dome' in 2021, that were statistically impossible a decade ago,[5] severely impacting Oregon's natural and working lands.[6] Oregon's 6th Climate Assessment, published in January 2023, determined the state faces clear impacts to natural and human systems – now and in the coming years relative to historic baselines of human existence – in areas including but not limited to extreme heat, drought, wildfire, floods, impacts to Tribal cultural resources, coastal hazards, and public health.[7]

The Intergovernmental Panel on Climate Change (IPCC)'s most recent report recognizes the interdependence of climate, ecosystems and biodiversity, and human societies to a greater extent than previous reports and recommends immediate action to curb detrimental impacts.[8] Examples of key regional risks to North America include:

- Reduced surface water availability for irrigated agriculture.
- Risk to food and nutritional security through changes in agriculture, livestock, hunting, fisheries, and aquaculture productivity and access.
- Risk to economic activities from cascading and compounding climate hazards, including risks to coastal cities, settlements, and infrastructure from sea level rise.
- And increasing costs and damages related to maintenance and reconstruction of transportation infrastructure.

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[4] The word 'lifeway' focuses on "an interpretive effort to express indigenous understandings of human-earth relations as an interactive and pervasive context that outsiders might label religion." See source: Grim, John A. (2004). "Native American Religions, Bioethics in" (Gale Virtual Reference Library). In Post, Stephen G. (ed.). Encyclopedia of Bioethics, Vol. 4 (3rd ed.). New York, NY: Macmillan Reference USA. p. 1881. https://go.gale.com/ps/i.do?p=GVRL&u=nla&id=GALE|CX3402500381&v=2.1&it=r&sid=GVRL&asid=477a398d

[5] Lindsey, Rebecca, "Preliminary analysis concludes Pacific Northwest heat wave was a 1,000-year event…hopefully," National Oceanic and Atmospheric Administration (NOAA) Climate.gov, July 20, 2021, https://www.climate.gov/news-features/event-tracker/preliminary-analysis-concludes-pacific-northwest-heat-wave-was-1000

[6] Oregonian / Columbia Insight. "Record number of firs dying in Oregon, Washington in what experts call 'Firmageddon.'" By Nathan Gilles. Publsihed November 25, 2022. https://www.oregonlive.com/environment/2022/11/record-number-of-firs-dying-in-oregon-washington-in-what-experts-call-firmageddon.html#:~:text=Fir%20trees%20in%20Oregon%20and,trees%20in%20the%20two%20states

[7] Fleishman, E., editor. 2023. Sixth Oregon Climate Assessment. Oregon Climate Change Research Institute, Oregon State University, Corvallis, Oregon. https://blogs.oregonstate.edu/occri/oregon-climate-assessments

[8] https://www.ipcc.ch/report/ar6/wg2/

The IPCC further notes that although efforts in the land sector cannot compensate for delayed emission reduction in other sectors, measures taken in the agriculture, forestry and other land use arenas can "provide large scale emissions reductions and also remove and store carbon dioxide at scale."[9]

This backdrop of volatility and uncertainty for Oregon's people and industries, coupled with the need to work across all sectors to mitigate and adapt to a changing climate, lends credence to each of the following bills that tackle governance structure and coordination, funding, and improvements to landowner incentive programs that will enable increased natural climate solutions (i.e., efforts to reduce emissions and enhance carbon sequestration and storage through conservation, restoration and improved land management strategies) to take place in Oregon.

## SB 530: Relating to natural climate solutions

**Overview**: SB 530 establishes state policy regarding natural climate solutions (NCS) including implementing NCS strategies, investing in research to fill data gaps, and directs agencies to incentivize and implement NCS through various means and incorporate NCS into their missions, programs, and performance metrics. It defines the term 'natural climate solution' and seeks to establish funding and governance of that funding to implement NCS. SB 530 recognizes the importance of studying workforce and training programs needed to support NCS implementation and requires a report to the legislature. Lastly, the bill provides the Oregon Global Warming Commission (OGWC) with the ability to establish a formal Natural and Working Lands Advisory Committee.

### Strengths

**Complements current investments made by the Oregon government**: SB 530 is a natural extension of the current work by the OGWC in its Natural and Working Lands Proposal.[10] The Natural and Working Lands Fund established in the bill complements existing state investments toward identifying climate solutions, via the Department of Energy[11], climate action and natural hazards planning investments made by Oregon's counties and cities, as supported by the Department of Land Conservation and Development,[12] the Oregon Department of Agriculture's deepening investments in soil health,[13] the Oregon Department of Forestry's Climate Change and Carbon Plan completed in November 2021, [14] and the Oregon Watershed Enhancement Board's (OWEB) 2022 Climate Resolution[15] and policy

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[9] IPCC Special Report on Climate Change and Land: Summary for Policy Makers, Accessed May 22, 2022; https://www.ipcc.ch/srccl/chapter/summary-for-policymakers/

[10] Oregon Global Warming Commission. 2021 Natural and Working Lands Proposal. https://www.keeporegoncool.org/s/2021-OGWC-Natural-and-Working-Lands-Proposal.pdf

[11] https://www.oregon.gov/energy/energy-oregon/pages/climate-change.aspx

[12] https://www.oregon.gov/lcd/CL/Pages/Climate-Change-Resources.aspx

[13] KTVL News 10. "ODA, soil scientists say the future of Oregon farming is in dirt." By Malik Patterson. Published April 17, 2022. https://ktvl.com/news/local/oregon-department-of-agriculture-is-working-on-improving-farmers-soil-climate-smart-commodities-healthy-trees-plants

[14] Oregon Department of Forestry. *Climate Change and Carbon Plan*. As adopted by the Oregon Board of Forestry, Nov. 3, 2021. https://www.oregon.gov/odf/forestbenefits/Documents/odf-climate-change-and-carbon-plan-draft.pdf

[15] Oregon Watershed Enhancement Board. 2022 Climate Resolution. https://www.oregon.gov/oweb/Documents/OWEB-Climate-Resolution-01-2022.pdf

change requiring applicants requesting funding for habitat protection and restoration to provide information on expected climate mitigation outcomes of the project.[16]

**Data Driven**: Like many other states, Oregon does not have a complete inventory of greenhouse gas emissions and removals in Oregon's natural and working lands, making Section 7 of SB 530 a worthwhile investment. The methodologies for completing these types of inventories, and the remote sensing and field work required for data capture have all progressed considerably in recent years. This innovation is well synthesized in a recent publication from the World Resources Institute (WRI).[17] Section 7 of the bill requires an inventory of net carbon sequestration and storage in the state's natural and working lands to be created with the best available science and data. The Pacific Northwest has some of the most robust carbon data in the country for certain land/aquatic habitat types[18] and can successfully create a Natural and Working Lands (NWL) inventory based on the best available data and science. As a starting point, states can utilize disaggregated data from EPA's National Greenhouse Gas Inventory of Emissions and Sinks, as well as EPA's State Inventory Tool. As the inventory gets updated, improvements can be made based on state and region-specific data and research.[19] The methodologies for completing these types of inventories, and the remote sensing and field work required for data capture have all progressed considerably in recent years. This innovation is well synthesized in a recent publication from WRI that the Institute for Natural Resources intends to incorporate into its process.[20]

**Fosters a collaborative process, includes community impact metrics**: The bill (see Section 10) will harness the expertise of the OGWC newly formed NWL Advisory Committee which will include Tribal governments; local governments; forest products interests or organizations; agricultural interests or organizations; environmental justice interests; conservation interests; and technical service providers. The Committee's charge will be to advise the OGWC on all substantive aspects of SB 530. This type of collaboration is in keeping with other state processes – from the Oregon Sage-Grouse Conservation Partnership[21] to the Oregon Health Authority's model of cross-sector partnerships between Oregon's coordinated care organizations and early learning hubs[22] - as well as Oregon's Statewide Land Use

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[16] Oregon Watershed Enhancement Board. *Climate-Related Technical Resources for OWEB Applicants*. As published July 15, 2021. https://www.oregon.gov/oweb/Documents/Climate-Related-Technical-Resources.pdf

[17] Natural & Working Lands Inventory Improvements: A Guide for States. Prepared by the World Resources Institute for US Climate Alliance states, September 2020, https://static1.squarespace.com/static/5a4cfbfe18b27d4da21c9361/t/604652f0d82ffb5074df3b3d/1615221491785/Guide+to+NWL+Inventory+Improvements.pdf

[18] See: https://smithsonian.github.io/CCRCN-Pew-Project/analysis.html#oregon-state-report

[19] See: https://www.epa.gov/ghgemissions/state-ghg-emissions-and-removals

[20] Natural & Working Lands Inventory Improvements: A Guide for States. Prepared by the World Resources Institute for US Climate Alliance states, September 2020, https://static1.squarespace.com/static/5a4cfbfe18b27d4da21c9361/t/604652f0d82ffb5074df3b3d/1615221491785/Guide+to+NWL+Inventory+Improvements.pdf

[21] Allen, Jennifer H.; Odell, Turner; Babcock, Julia; and Henrie, Charis, "Advancing Collaborative Solutions: Lessons from the Oregon Sage-Grouse Conservation Partnership (SageCon)" (2017). National Policy Consensus Center Publications and Reports. 9. http://archives.pdx.edu/ds/psu/22055

[22] Oregon Health Authority, The State of Collaboration: A handbook for cross-sector partnerships between Oregon's coordinated care organizations and early learning hubs. April 2017.

Planning Goal 1 for citizen involvement.[23] Research suggests that conveners of collaborative initiatives should endeavor to define and adjust existing power relationships and structures to provide opportunities for differing cultural perspectives to be expressed, heard, and incorporated.[24,25] Additionally, the OGWC's call for community impact or social impact metrics is in keeping with an emerging line of inquiry in natural resource management.[26]

**Prioritizes jobs, economic development under state agency capacity constraints**: Given the economic inequality facing rural communities who live on and/or rely upon the state's natural and working lands[27], the bill's charge (see Section 8) for the Oregon Department of Energy to, in coordination with the OGWC, study the workforce and training programs needed to support adoption of natural climate solutions on natural and working lands is a sound investment. This analysis will fill a needed gap in the state's understanding of the economic opportunities for valuing and enhancing the carbon in natural and working lands to benefit residents, landowners, local businesses, and whole Oregon communities.

**Leverages co-benefits provided by coastal habitats:** By including coastal/aquatic habitats in its comprehensive definition of natural and working lands, SB 530 recognizes the important services these ecosystems provide in both mitigating climate change as well as helping build resilience to climate impacts. Coastal wetlands, including eelgrass, tidal marsh, and forested tidal wetlands, sequester and store on a per-acre basis significant amounts of "blue carbon." Coastal habitats also serve as nurseries to most of the fish and shellfish species harvested in the United States. In Oregon, this includes salmon, steelhead, clams, oysters, and Dungeness crab, which in turn support more than 12,000 jobs.[28] These resources provide locally sourced food and first foods for Tribal people. Blue carbon habitats help lessen the effects of ocean acidification and safeguard coastal communities from more intense and frequent storms and floods.[29]

In the "Incorporating Coastal Blue Carbon Data and Approaches in Oregon's First Generation Natural and Working Lands Proposal" white paper, an informal expert work group created an inventory of annual sequestration provided by Oregon's coastal wetlands, estimates of overall carbon stored and

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https://www.oregon.gov/oha/PH/HEALTHYPEOPLEFAMILIES/BABIES/HEALTHSCREENING/ABCD/Documents/OHA-9410-HUB-CCO-Handbook-Final.pdf

[23] Oregon Department of Land Conservation and Development, Statewide Land Use Planning Goal 1: Citizen Involvement. Accessed May 20, 2022. https://www.oregon.gov/lcd/OP/Pages/Goal-1.aspx

[24] Dandy, N, Fiorini, S & Davies, AL 2014, '*Agenda-setting and power in collaborative natural resource management*', Environmental Conservation, vol. 41, pp. 311-320. https://doi.org/doi:%2010.1017/S0376892913000441

[25] Rapp, Claire. *Hypothesis and Theory: Collaborative Governance, Natural Resource Management, and the Trust Environment*, Frontiers in Communication, May 19, 2020, https://doi.org/10.3389/fcomm.2020.00028

[26] Alomoto et al. *Social Impact Assessment: A Systematic Review of Literature, Social Indicators Research*, Social Indicators Research 161, 225–250, October 16, 2021, https://link.springer.com/article/10.1007/s11205-021-02809-1

[27] Mechling, Audrey, A Portrait of Poverty in Oregon: The State of Working Oregon, Oregon Center for Public Policy, August 7, 2020. https://www.ocpp.org/media/uploads/pdf/2020/08/Poverty-SWO-fnl.pdf

[28] National Oceanic and Atmospheric Administration, "2017 Fisheries Economics of the United States," National Oceanic and Atmospheric Administration, accessed May 23, 2022, https://www.fisheries.noaa.gov/national/sustainable-fisheries/fisheries-economics-united-states.

[29] L. Beers et al., "Incorporating Coastal Blue Carbon Data and Approaches in Oregon's First Generation Natural and Working Lands Proposal" (working paper, submitted to the Oregon Global Warming Commission July 2021), https://www.keeporegoncool.org/s/OR-NWL-bc-data-and-approaches-white-paper.pdf

potential GHG benefits provided through restoration.[30] This analysis found that Oregon's coastal wetlands sequester approximately 51,000 MT CO2E each year and hold approximately 83,700,000 MT CO2E in carbon stocks.

Identifying opportunities to better conserve and restore these carbon rich habitats would provide important contributions to Oregon's climate goals, as well as offer significant co-benefits. For example, As noted in the white paper, **the carbon stocks of forested tidal wetlands in Oregon are on par with the old growth forests of the region** and are projected to be particularly resilient in the face of sea level rise.[31] Since carbon accumulation increases over time in these habitats, for every thousand acres that are restored, about 212,500 metric tons of $CO_2$ equivalent could be stored by 2050.[32] Given that Oregon has lost over 95% of its tidal forested wetlands due to extensive diking and vegetation conversion,[33] restoration of these habitats could play an important role in increasing carbon sequestration while also providing habitat for juvenile salmonids and delivering other important ecosystem services and ensuring the livelihoods of coastal families that are economically dependent on nature-based industries. The Oregon Coastal Management Program (DLCD) and the Pacific Northwest Blue Carbon Working Group are leaders in the policy and research arena regarding this important Oregon landscape.

## Recommendations for SB 530

**Create goals specific to the Natural and Working Lands Fund and/or agency sub-funds.** SB 530, Section 6, wisely directs the state to establish carbon sequestration goals for natural and working lands. However, goals related to the Funds created are missing. Section 4, where the Natural and Working Lands Fund is created, could establish a goal linking fund expenditures to progress in achieving the goals for natural and working lands. Sections 11-14 could establish agency-specific sub-fund goals to provide specific agency direction for expense reporting requirements, establish a metric specific to each agency sub-fund related to their jurisdiction and programs, and help illuminate agency-specific barriers to progress so that they can be addressed quickly by the legislature.

**Increase multi-agency coordination throughout the bill.** Overall, although SB 530 aims to direct all agencies to prioritize and implement NCS, it then limits the participation of land managing/planning agencies including DSL, OPRD, and DLCD in Section 6. These agencies are important for achieving the state's natural and working lands goals. SB 530 should specifically name these agencies in the bill

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[30] See page 50 of Beers, L., Troost, S., Clayton, A., Cornu, C., Crooks, S., Ruther, E., Theuerkauf, K., and Wade, H. (2021). *Incorporating Coastal Blue Carbon Data and Approaches in Oregon's First Generation Natural and Working Lands Proposal*. https://www.pnwbluecarbon.org/_files/ugd/43d666_1859316df7ef415db84fd5d29f6b1d20.pdf

[31] J.B. Kauffman et al., "Total Ecosystem Carbon Stocks at the Marine-Terrestrial Interface: Blue Carbon of the Pacific Northwest Coast, United States," *Global Change Biology* 26, no. 10 (2020): 5679-92, https://doi.org/10.1111/gcb.15248.

[32] *Ibid.*

[33] Brophy, L.S. 2019. Comparing historical losses of forested, scrub-shrub, and emergent tidal wetlands on the Oregon coast, USA: A paradigm shift for estuary restoration and conservation. Prepared for the Pacific States Marine Fisheries Commission and the Pacific Marine and Estuarine Fish Habitat Partnership. Estuary Technical Group, Institute for Applied Ecology, Corvallis, Oregon, USA., https://appliedeco.org/wp-content/uploads/Brophy_2019_Oregon_tidal_swamp_and_marsh_losses_FINAL_Dec2019.pdf

language so they will also benefit from the inter-agency coordination and decision making described in Section 6.

**Direct agencies to fill data gaps for freshwater wetland extent and change over time**. Although the rate of loss has declined, Oregon is still losing wetlands,[34] and with them carbon storage services. Direct agencies including Department of State Lands to improve mapping and change over time data for other key natural lands that provide carbon storage services for the state, including freshwater wetlands (e.g., wet meadows, forested wetlands, peatlands) so the State's Wetland Inventory[35] can support NWL goals.

**Incorporate the State's land use planning agency to a greater extent.** Consider an increased role for the Department of Land Conservation and Development into policy and program changes in SB 530, specifically:

- Establish a Cities and Counties Climate Solution Fund in Section 3 within DLCD so the agency can leverage federal monies received through their Hazards Program (FEMA) and Coastal Management Program (NOAA). NCS project funding can be directed to counties/cities that regularly experience flooding hazards and lack capacity for nature-based solutions. This fund may also address lost revenue from existing landowner tax incentive programs (see pages 10-12 recommendations for HB 2527).
- Although this bill focuses on mitigation, adaptation is related, and often solutions address both issues. Whether or not a DLCD Cities and Counties Climate Solution Fund is created, DLCD should be added to Section 6 since they are the lead coordinator of the Climate Change Adaptation Framework, the central state hub for city and county coordination and assistance, and an agency that is central to implementing potential regulation to reduce heat islands, improve flood protection, and address coastal resilience as seas rise; all outcomes desired in Section 2.

**Improve inclusion of Tribal Nations in SB 530 to increase lateral coordination between all governments within Oregon's borders.** With deference to any consultation with Tribal Nations and the Legislative Commission on Indian Services (LCIS) that is or will be occurring in conjunction with this bill's progress, we encourage authors, co-sponsors, and committees of jurisdiction to:

- Consider traditional practices and knowledge from Tribal Nations that are known to sequester and store greenhouse gases in the definition of "natural climate solution" (Section 1) and within the scope of the inventory of net carbon sequestration and storage in the state's natural and working lands (Section 1). Increasing the role of Indigenous land management in reducing emissions, avoiding emissions associated with land conversion and enhancing carbon

[34] Per the 2000 Oregon State of the Environment Report, the most recent Oregon-government sponsored public citation for both tidal and freshwater wetland loss, Oregon has lost 68% of tidal wetlands and an estimated 38% of freshwater wetlands. See Oregon State of the Environment Report, 2000. (pp 21-27)
https://agsci.oregonstate.edu/sites/agscid7/files/eoarc/attachments/490.pdf
[35] Oregon Department of State Lands. Statewide Wetlands Inventory. Accessed 1/17/2023
https://www.oregon.gov/dsl/WW/Pages/SWI.aspx

sequestration and storage is an emerging best practice around the globe[36] and should be incorporated into this legislation. In Section 1 of the bill, consider adding "*and includes traditional stewardship practices or knowledge from the nine federally recognized Indian tribes in this state that are known to sequester and store greenhouse gases*" to the end of the bill's definition of "natural climate solution." Likewise, as a part (c) under subsection (1) of Section 7 of the bill, add "Include traditional stewardship practices or knowledge from the nine federally recognized Indian tribes in this state."

- Strengthen Tribal consent or consultation within the implementation of the bill's policies and programs. The 2021 Climate Commitment Act from Washington is instructive and relevant in its content.[37] The bill articulates clear steps toward consultation and collaboration with Tribes.[38] Although the bill's provisions specific to consent ultimately did not pass at this time[39], encoding Tribal consent requirements within state government policies and programs that have direct or indirect bearing on Tribal ancestral lands is a worthwhile effort for states seeking conservation outcomes that embed equity considerations and honor the self-determination of Tribes.
- Provide specific incentives or capacity to Tribes for consultation on implementation of SB 530. As a supplement to the Climate Commitment Act, Washington legislators passed HB 1753 (2022) which established an enhanced process for Tribal consultation on spending decisions from accounts created in the legislation.[40] We suggest replication of this for SB 530.

**Seek equitable access to benefits provided by SB 530.** While the impacts of climate change affect everyone, people are not, and will not experience it equally.[41] Likewise, the benefits of environmental conservation are often not equally shared[42] and lack of attention to inequality can undermine desired conservation goals.[43] Therefore, future conservation initiatives must work to address disparities in both negative impacts and positive benefits.

- Ensure the Environmental Justice Council has a role in shaping implementation of SB 530. With deference to any collaboration with members of the environmental justice community (as

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[36] Gebbie, et al (2021). "Empowering Indigenous land management through emissions reductions and the carbon economy." Published in Phys.org, November 1, 2021. https://phys.org/news/2021-11-empowering-indigenous-emissions-reductions-carbon.html

[37] 2021 Washington Legislative Session. SB 5126 (2021-220 Concerning the Washington climate commitment act. Session law: https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/Senate/5126-S2.SL.pdf?q=20230109221105

[38] *ibid*, Section 40, page 30.

[39] ibid, Section 6, page 17-18.

[40] 2022 Washington Legislative Session. Climate Commitment Act Funding - Tribal Consultation - https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/House/1753-S.SL.pdf?q=20220623112249

[41] EPA. 2021. Climate Change and Social Vulnerability in the United States: A Focus on Six Impacts. U.S. Environmental Protection Agency, EPA 430-R-21-003 - https://www.epa.gov/system/files/documents/2021-09/climate-vulnerability_september-2021_508.pdf

[42] Schell, et al. (2020). Ecological and evolutionary consequences of systemic racism in urban ecosystems. Science. 369. http://dx.doi.org/10.1126/science.aay4497

[43] See Joan Hoffman (2017) Sustainability and inequality: confronting the debate, International Journal of Urban Sustainable Development, 9:3, 359-364, DOI: 10.1080/19463138.2017.1333004

See also Kirsten Henderson, Michel Loreau. Unequal access to resources undermines global sustainability, Science of The Total Environment, Volume 763, 2021, 142981, ISSN 0048-9697, https://doi.org/10.1016/j.scitotenv.2020.142981

defined in HB 4077, 2022)[44] that is or will be occurring in conjunction with this bill's progress, we encourage bill authors, co-sponsors, and committees of jurisdiction to ensure the policies and programs within SB 530 are synthesized with HB 4077 to ensure the Environmental Justice Council has a meaningful, material role in shaping the implementation of SB 530.

- Set minimum thresholds for investments made to Tribes and environmental justice communities from the funds created by SB 530. Precedent for this type of equity structure for resources is growing. The Biden-Harris Administration, via Executive Order 14008, established a goal that 40 percent of the overall benefits of certain federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution.[45] Referencing Washington's Climate Commitment Act, that bill[46] included stipulation that "a minimum of not less than 35 percent and a goal of 40 percent of total investments that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities..." and later, "a minimum of not less than 10 percent of total investments that are used for programs, activities, or projects formally supported by a resolution of an Indian tribe, with priority given to otherwise qualifying projects directly administered or proposed by an Indian tribe."[47] This type of equity-based prioritization for Tribal Nations and environmental justice communities should also be reflected in the structure of Section 8 of the bill regarding the study the workforce and training program needs to support adoption of natural climate solutions on natural and working lands.

**Modify the 'lands' definition.** The definition of 'lands' is broad, however relating the definition to specific terms used elsewhere in land use or tax law of the state could help agencies administer the requirements of the bill. Consider including the terms 'buffers', 'edges', 'fallow fields' to 'lands' definition. Add lands managed for conservation to the definition and reference 'special assessment' lands (ORS 308A) that contain tax incentive programs for privately owned lands, which may be recipients of agency sub-funds.

**Include additional areas of research that will aid implementation of NCS in Oregon.** Considerable gaps in knowledge exist for the following in relation to NCS implementation in Oregon. Consider adding these explicit research gaps to Section 2:

1. How Oregon's land use system and tax structure supports or could support voluntary NCS implementation on private land.
2. Finance mechanisms needed to increase state agency capacity and ability to secure federal and private investments in NCS.

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[44] 2022 Oregon Legislative Session. House Bill 4077: Relating to environmental justice. https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4077/Enrolled

[45] Office of the President of the United States. Justice40 / Exec Order 14008 (2021) https://www.whitehouse.gov/environmentaljustice/justice40/

[46] *Ibid* footnote 42, Section 26, pages 56-57.

[47] 2021 Washington Legislative Session. SB 5126 (2021-220 Concerning the Washington climate commitment act. Session law, Section 26, pp 56-57: https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/Senate/5126-S2.SL.pdf?q=20230109221105

## SB 522: Relating to the Oregon Global Warming Commission

**Overview:** SB 522 changes the OGWC's name to the "Oregon Climate Action Commission". It also aims to codify updates to the state's greenhouse gas (GHG) emissions reduction goals from 2020 to 2035 accordingly. It amends membership of the Commission to include previously excluded stakeholder groups and state agencies. Lastly, it requires state agencies to submit an annual report to the Commission on their progress.

### Strengths

- **Modernizes the Commission and aligns existing statute language with SB 530.** The statute establishing the Commission is outdated in nomenclature, social values, and goals.
- **Implements recommendations of the Climate Adaptation Framework.** The increase in agency membership on the Commission implements a top recommendation from the state's Climate Adaptation Framework, which is to initiate a near-term leadership structure.[48] Lateral coordination at all levels of government is a prudent step to achieve successful climate resilience action.

### Recommendations for SB 522

- **Include representation from local government**. Impacts from a changing global climate are experienced locally and implementing many solutions will need to be implemented at the local level. While state agencies, including the Department of Land Conservation and Development[49], are beginning to grapple with this dynamic, integrating local jurisdictions into state level discussion remains limited, which warrants the inclusion of local government into the Commission framework.

## HB 2527: Relating to wildlife habitat special assessment

**Overview:** HB 2527 amends the statute (ORS 308A)[50] governing the wildlife habitat special assessment to include more specificity regarding monitoring and assessment of enrolled landowners stewarding habitat. The concept allows technical resource entities, like Soil and Water Conservation Districts, to work with the Oregon Department of Fish and Wildlife to implement the requirements.

ORS 308A in general focuses on 'special assessments' that are applied to parcels that qualify and assessed at a lower tax rate than they otherwise would be including definitions and rules for assessing taxes on 'farm', 'wildlife', and 'riparian' private lands. It also addresses land zoned 'open space' and land that has 'conservation easements.'

Private lands that receive special assessments are poised to play a large role in helping Oregon achieve its NWL goals. Many landowners implementing Natural Climate Solutions will benefit from these existing incentive programs. However, several adjustments need to be made to align ORS 308A with SB 530 to support uptake of NCS by landowners.

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[48] Climate Change Adaptation Framework. 2021. See pg. 7-8. https://www.oregon.gov/lcd/CL/Documents/2021_CLIMATE_CHANGE_ADAPTATION_FRAMEWORKandBlueprint.pdf

[49] Oregon Department of Land Conservation and Development. Climate Change Vulnerability Assessment. Accessed 1/17/2023 https://www.oregon.gov/lcd/CL/Pages/Vulnerability-Assessment.aspx

[50] Oregon Revised Statutes. Chapter 308A - Land Special Assessments (2021). https://www.oregonlegislature.gov/bills_laws/ors/ors308a.html

## Recommendations for HB 2527

ORS 308A, in general, and the Riparian and Wildlife special assessments, specifically, could be powerful tools for natural and working lands greenhouse gas reduction efforts in the state, especially if a new Fund, created via SB 530 or other legislation, continues to focus on funding voluntary private land conservation incentives. However, for landowners to take advantage of funded conservation incentives without being penalized by Oregon's property tax structure – for example what might occur if a landowner adds a buffer strip or restores a natural area or allows a field to fallow – improvements to both tax incentive programs and perhaps 308A broadly, via amendments to HB 2527, are needed to align with the aims of the Natural Climate Solutions bill and resulting state Fund. Here we provide recommendations by examining several problems with, and proposed solutions to, the status quo.

**Problem One: Tax penalties when implementing conservation practices like natural areas, fallow field, or buffers on private farm or forest land.** If a landowner chooses to participate in federal private lands incentive programs like EQIP or other programs offered by SWCDs, their participation can result in tax penalties in Oregon. To avoid this issue, often SWCD staff and the landowner work closely with ODFW to apply for the Wildlife and/or Riparian tax incentive programs in order to maintain the same tax deferral through these programs as their previous farm or forest tax deferral. If landowners are not able to enroll in these programs, the tax assessor of the county will assess the parcel or portion of the parcel (if allowed) at a higher rate, which results in substantially higher dollars owed. Federal programs that pay landowners as incentives often do not outstrip this burden. The same could occur with the potential Natural Climate Solutions Fund incentive programs if ORS 308A isn't modified.

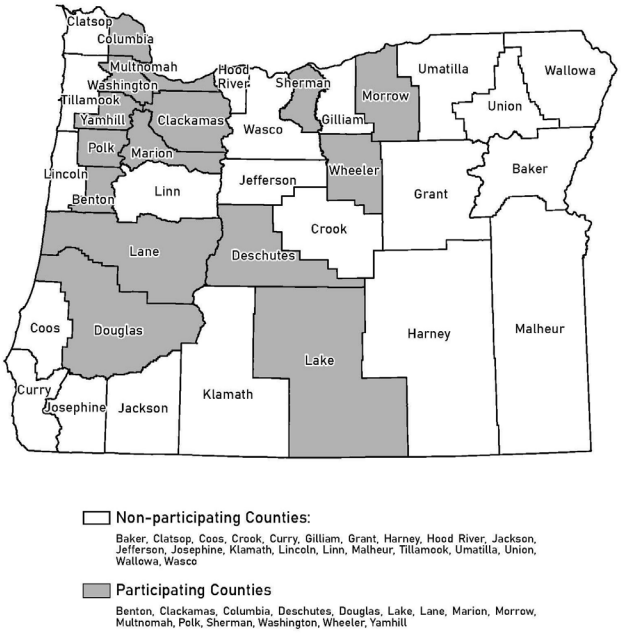
*Potential solutions via amendments to HB 2527:*

- **Add a new special assessment:** Sections of ORS 308A could be modified to include greenhouse gas reduction strategies as a special assessment in addition to 'farm', 'wildlife', and 'riparian' special assessment.
- **Change definitions:** Example includes changing definition of 'farm use' (308A. 056) to include fallow land, buffer strips, or other practices that appear to be in 'non-active' use to encourage carbon sequestration and soil heath.
- **Modernize 'Wasteland' section to 'Carbon Sequestering Lands':** Section 308A.074 (Wasteland qualifications) could be re-imagined for the benefits of NWL goals. Currently, the definition (308A.056(3)e) reads "Wasteland, in an exclusive farm use zone, dry or covered with water, neither economically tillable nor grazeable, lying in or adjacent to and in common ownership with farm use land and that is not currently being used for any economic farm use." Section 308A.074 currently requires an annual application to be assessed as 'nonexclusive farm use zone farmland'. Striking the definition, changing Section 308A.074 to 'Carbon Sequestering Lands' and potentially linking the annual application to the newly established Natural Climate Solutions Fund could be a solution while also solving the tax penalty issue specifically for 'wastelands.'
- **Create an 'exception' to the Disqualification Criteria.** Section 308A.113 currently describes when the tax assessor may remove land from farm special assessment, which is basically if it is no longer being actively used. Subsection 2 describes exceptions including flooding or severe drought. Carbon sequestration practices contributing to the state's NWL goals could be added as an exception and used as a qualifying factor for the NCS Funds/Programs.

**Problem Two: Geographic Extent of Programs**. Unlike the riparian program, which is automatically implemented statewide outside of urban growth boundaries, the wildlife habitat program is allowed within UGB boundaries, but relies **on counties opting in.** To date the adoption of the program has mainly occurred in counties along the I-5 corridor resulting in inequitable opportunity for landowners interested in participating.

*Potential solutions via amendments to HB 2527:*

- Amend ORS 308A.415-.418 to automatically enroll all counties in the Wildlife Habitat special assessment program, like the Riparian special assessment.




**Problem Three: Perceived loss of tax revenue for municipalities**. All the described special assessments in ORS 308A potentially reduce revenue for local government without any offset or additional opportunity to recover those losses. Historically, that has created opposition to some of the programs offered by the state.

*Potential solutions via amendments to SB 530:*

- Make cities and counites eligible for NCS Funds to incentivize participation in special assessment programs of ORS308A, offset perceived revenue lost from special assessments, while acknowledging critical role in meeting state's climate goals.

**Additional Opportunity: Open Space Lands (308A.300-.330) and Conservation Easements (308A.450 to .465)**

Two additional special assessments could be leveraged to maximize NCS if SB 530 is amended to study their current use, approval process, and eligibility criteria. ORS 308A describes a process for non-public landowners to apply for 'open space land' special assessments which requires annual reporting. The purpose of the special assessment is to recognize the value of open space for multiple services and values described in ORS 308A.309 including promoting conservation and protecting air, streams, and water supplies. More in depth analysis is needed as well as coordination with relevant state agencies.

Additional analysis could include understanding how many landowners have applied for open space designation or even if they do so, if applications have been approved by the city or county governing body, as well as understanding open space lands typically are comprised of that are approved. Such an analysis may surface opportunities to leverage this section of ORS308A to help meet the state's goals around greenhouse gas sequestration for natural and working lands.

'Conservation easement' special assessments are also addressed in 308A and defined in ORS 271.715. Unlike 'open space land', conservation easement special assessments do not need city or county approval. Additional research would be helpful in order to understand how many conservation easement special assessments exist and whether there is opportunity to leverage this existing special assessment to help reach state NWL strategy goals.

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We hope the analysis above aids the conversation around SB 530, SB 522, HB 2527 and any other related legislative efforts. Thank you in advance for your consideration of Oregon's resilience and health in the face of a changing climate and exploration of carbon sequestration strategies that leverage Oregon's natural and working lands. For a deeper dive on the coastal habitat and blue carbon aspects of this issue area, we also invite you to view Pew's primer on the subject which includes a section highlighting Oregon's innovative work in this arena.

Sincerely,

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The Pew Charitable Trusts

Bobby Hayden
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To:

- Senator Jeff Golden, (Chair), members and staff of the Senate Committee on Natural Resources.
- Representative Ken Helm, (Chair), members and staff of the House Committee on Agriculture, Land Use, Natural Resources, and Water.

CC:

- Brad Kneaper, Chair, Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians
- Brenda Meade, Chair, Coquille Indian Tribe
- Delores Piglsey, Chair, Confederated Tribes of Siletz Indians of Oregon
- Cheryle A. Kennedy, Chairwoman, Confederated Tribes of Grand Ronde

- Carla Keene, Chair, Cow Creek Band of Umpqua of Indians
- Lindsey X. Watchman, Chair, Confederated Tribes of the Umatilla Indian Reservation
- Clayton Dumont, Chair, The Klamath Tribes
- Diane Teeman, Chairperson, Burns Paiute Tribe
- Jonathan W., Smith, Sr., Chairman, Confederated Tribes of Warm Springs
- Senate President Rob Wagner
- Senate Pro Tempore James I. Manning Jr.
- Democratic Leader Kate Lieber
- Republican Leader Tim Knopp
- Speaker Dan Rayfield
- Speaker Pro Tempore Paul Holvey
- Democratic Leader Julie Fahey
- Republican Leader Vikki Breese Iverson
- Members and staff of Joint Committee on Ways and Means Subcommittee on Natural Resources
- Geoff Huntington, Senior Natural Resources Advisor, Office of Governor Tina Kotek
- Karin Power, Natural Resources and Climate Advisor, Office of Governor Tina Kotek
- Patrick Flanagan, Executive Director, Legislative Commission on Indian Services
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- Lauren Henderson, Acting Director, Oregon Department of Agriculture
- Cal Mukumoto, State Forester, Oregon Department of Forestry
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- Janine Benner, Director, Oregon Department of Energy
- Vicki Walker, Director, Oregon Department of State Lands
- Cathy Macdonald, Chair - Oregon Global Warming Commission