

A-Engrossed
Senate Bill 513

Ordered by the Senate April 9
Including Senate Amendments dated April 9

Sponsored by Senator DEVLIN; Senator ATKINSON, Representatives GARRETT, GILLIAM

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes policy regarding ecosystem services. Makes legislative findings regarding ecosystem services. Encourages state agencies to take certain actions related to ecosystem services and ecosystem services markets.

Requires Sustainability Board to convene ecosystem **services markets** working group. Sunsets working group on date of convening of next regular biennial legislative session.

Appropriates moneys from General Fund to Sustainability Board for purpose of ecosystem **services markets** working group.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to ecosystems; appropriating money; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. As used in sections 1 to 5 of this 2009 Act:**

5 (1) **"Adaptive management mechanisms" means the processes of implementing programs**
6 **in a scientifically based, systematically structured approach that tests and monitors as-**
7 **sumptions and predictions in management activities and then uses the resulting information**
8 **to improve programs and management activities.**

9 (2) **"Ecological values" means clean air, clean and abundant water, fish and wildlife**
10 **habitat and other values that are generally considered public goods.**

11 (3) **"Ecosystem services" means the benefits that human communities enjoy as a result**
12 **of natural processes and biological diversity.**

13 (4) **"Ecosystem services market" means a system in which providers of ecosystem ser-**
14 **vices can access financing to protect, restore and maintain ecological values, including the**
15 **full spectrum of regulatory, quasi-regulatory and voluntary markets.**

16 (5) **"Payment for ecosystem services" means arrangements through which the benefi-**
17 **aries of ecosystem services pay back the providers of ecosystem services.**

18 **SECTION 2. It is the policy of this state to support the maintenance, enhancement and**
19 **restoration of ecosystem services throughout Oregon, focusing on the protection of land,**
20 **water, air, soil and native flora and fauna.**

21 **SECTION 3. The Legislative Assembly finds that:**

22 (1) **Maintaining sustainable rural and urban landscapes is important for the quality of life**
23 **of all Oregonians. Sustainable forestry, agriculture and ranching practices can help to**
24 **maintain and restore the vitality of Oregon's communities while also helping to preserve**
25 **Oregon's natural landscapes and ecosystems. It is necessary to assist landowners in gaining**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 access to additional sources of revenue such as emerging ecosystem services markets and
2 to help landowners diversify their incomes, improve the ecological functions of their lands
3 and pass along their lands and the lands' associated benefits to future generations.

4 (2) Employment and economic opportunities are important to Oregonians in order to
5 maintain a high quality of life and prosperity. A scarcity of land that is available for devel-
6 opment is a significant limiting factor in some regions of Oregon. Oregon needs a system
7 that will provide assurances that development will occur in suitable locations so that eco-
8 logical values will be maintained and improve.

9 (3) Many different local, state and federal agencies and the private sector have obli-
10 gations to protect natural resources, to regulate the use of natural resources and to promote
11 economic development while also minimizing adverse impacts to natural resources. However,
12 these efforts are generally fragmented and uncoordinated and often work at cross-purposes.

13 (4) Oregon's natural resources, and the ways these natural resources are used, are im-
14 portant to Oregonians. These natural resources include native flora and fauna. These natural
15 resources provide food and shelter, flood control, water filtration, clean air, fish and wildlife
16 habitat, recreational opportunities, aesthetic benefits, jobs and a high quality of life for all
17 Oregonians. Science has demonstrated the importance of these natural resources to our daily
18 lives. The adverse impacts of climate change may stress some natural resources to the point
19 that they no longer provide ecosystem services. It is necessary to improve the overall health
20 of our natural resources in order to maintain these resources for present and future gener-
21 ations.

22 (5) The conservation and restoration of ecosystem services will help avoid carbon emis-
23 sions, help address impacts associated with climate change and help natural resources adapt
24 to these impacts. New or improved regulatory schemes and increased public awareness will
25 make additional natural resources available to protect and enhance ecosystem services.
26 Oregon has the opportunity to become a leader in developing and improving the ecological
27 effectiveness and economic viability of payments for ecosystem services.

28 (6) Given appropriate oversight, ecosystem services markets can save money, lead to
29 more efficient, innovative and effective restoration actions than pure regulatory approaches
30 and facilitate improved integration of public and private investment.

31 **SECTION 4.** (1) State agencies are encouraged to adopt and incorporate adaptive man-
32 agement mechanisms in their programs in order to support the maintenance, restoration and
33 enhancement of ecosystem services.

34 (2) State agencies are encouraged to use ecosystem services markets as a means to meet
35 mitigation needs, after carefully avoiding the most sensitive resources and minimizing ad-
36 verse impacts where development occurs. When a state agency adopts a strategy or a deci-
37 sion that calls for the mitigation of potentially adverse environmental consequences, the
38 state agency must consider mitigation strategies that recognize the need for biological
39 connectivity and the overall ecological viability of restoration efforts at a landscape scale
40 rather than exercise an automatic preference for on-site, in-kind mitigation.

41 **SECTION 5.** (1)(a) The Sustainability Board shall convene an ecosystem services markets
42 working group consisting of representatives of local and state agencies and representatives
43 of other parties, including but not limited to federal agencies, Indian tribes, conservation
44 organizations and developers and landowners from the private sector.

45 (b) Representatives chosen from the parties specified in paragraph (a) of this subsection

1 must be active in improving the ecological effectiveness of ecosystem services markets.

2 (2) The ecosystem services markets working group shall:

3 (a) Study and propose overarching goals to guide the development of integrated
4 ecosystem services markets in Oregon that are efficient, coordinated and designed to
5 produce positive ecological and economic outcomes with reasonable administrative costs to
6 all participants;

7 (b) Address entities that would be most appropriate to guide, facilitate and implement
8 an ecosystem services market in Oregon;

9 (c) Address the need for a consistent methodology to describe and quantify ecological
10 values and in doing so consider methodologies that have been developed or are in the process
11 of being developed;

12 (d) Make recommendations concerning the development of appropriate ecological evalu-
13 ation and accounting systems;

14 (e) Consider the appropriate role of government participation in ecosystem services
15 markets in order to ensure that the activities of state agencies are well-coordinated and
16 maintain a positive influence in maximizing ecological, social and economic benefits for the
17 public and private sectors; and

18 (f) Propose potential policies to help stimulate demand for payments for ecosystem ser-
19 vices, in particular the development of regulatory and voluntary ecosystem services markets.

20 (3) No later than January 1, 2011, the Sustainability Board shall submit a report regard-
21 ing its work conducted under this section, and may include recommendations for legislation,
22 to the Legislative Assembly in the manner provided by ORS 192.245.

23 (4) The Sustainability Board may contract with the Institute for Natural Resources of
24 Oregon State University to carry out the provisions of this section.

25 **SECTION 6.** Section 5 of this 2009 Act is repealed on the date of the convening of the next
26 regular biennial legislative session.

27 **SECTION 7.** (1) There is appropriated to the Sustainability Board, for the biennium be-
28 ginning July 1, 2009, out of the General Fund, the amount of \$120,000 for the purpose of
29 carrying out the provisions of section 5 of this 2009 Act.

30 (2) Notwithstanding ORS 184.435 (2), any moneys appropriated by subsection (1) of this
31 section that are unexpended and unobligated on June 30, 2011, shall revert to the General
32 Fund and be available for general governmental expenses.

33 **SECTION 8.** This 2009 Act being necessary for the immediate preservation of the public
34 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
35 on its passage.

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