

Agenda Item No.: 5
Item title: Major Forestry-Related Legislation – 2007 Session
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SUMMARY

The purpose of this agenda item is to provide an overview of forestry-related activity in the 2007 Legislative Session, including staff work and possible Board-level policy issues expected to result from that activity.

CONTEXT

During the 2007 Session, the Department worked to advance an agenda of eight bills that originated as legislative concepts approved by the Board, the Department of Administrative Services and the Governor's Office. These addressed a range of issues – including stewardship agreements, the Forest Resource Trust, invasive species and emergency fire cost funding – that are linked to Board work plans. All but one of these bills passed. SB 98, which would have provided a mechanism for state acquisition of working forests to be managed to benefit higher education did not pass.

The Department also worked in support of bills introduced by others that advanced Board or agency objectives. These included bills facilitating use of biomass, supporting formation of rangeland fire protection associations, broadening the Forest Legacy program, and increasing reforestation penalties to cover actual costs. In addition, some of the Session's events, including consideration of bills that did not pass, raised policy implications in a variety of areas.

BACKGROUND AND ANALYSIS

The following are broad themes that emerged from the 2007 Session. These themes have implications at the policy level as well as for the Department's operations and staffing needs.

Pesticides: A variety of pesticide-related bills were introduced. Elements of the bills include increased reporting or notification requirements, buffers around schools, increased civil penalties and written plan requirements. Two dominant concerns were expressed through the bills: public health impacts, especially for school children, and residential/organic farming uses conflicting with pesticide use. The bills indicate a strong need for state agencies to improve both legislator and public understanding of current programs and policies, create options to improve and coordinate monitoring, and ensure that agencies provide complete and consistent information.

Post-session, the proponents of the bills have raised concerns to the Governor's Office through letters and petitions, and to the Board through the issue scan process. The Governor's Office has requested that an interagency work group be formed to evaluate pesticide concerns during the interim. The Department will be engaged in the policy, technical and monitoring elements of this work. Resources to support this effort were not included in the Department's budget.

Land Use and Working Forests: While the major emphasis of the Legislature was on directly addressing Ballot Measure 37, other actions related to land use were also taken. Specific to BM 37, the period for a public entity to review and take action on BM 37 claims before a property owner is entitled to compensation and may file a civil action was extended by an additional 360 days. The "Big Look" Committee, established by the 2005 Legislature to address the future role of the Statewide Land Use Program, was directed through the budget process to "stand down."

The proposed modifications to M37, referred to the voters as Measure 49, have implications for the Forest Practices Act and its rules. Resources to address the consequences of voter approval or disapproval of M49 were not included in either the Department's budget or within the fee structure under M49.

Beyond BM 37, the Department's proposal for resources to work within developed and developing areas was not included in the budget. The Department, at the Board's direction at the April 2007 meeting, will include further work on this topic in a Board Work Plan and will work with interests to further develop options for addressing issues within the "residential forest" landscape.

An authority for local government to establish "rural reserves," including forestlands was established during the 2007 Session. Rule-making by LCDC and local government ordinance development will be required to implement this authority. LCDC and Metro have both requested Department involvement in these efforts. The Legislature also approved a broader scope to the use of the federal Forest Legacy Program.

Global Warming and Renewable Energy: The Legislature established a "Renewable Portfolio Standard" for electricity that requires that 25% of Oregon's electric load come from new renewable sources by 2025. Eligible renewable sources include wind, solar, ocean, geothermal, biomass, hydropower and other renewable sources that were operational after January 1, 1995. A package of measures to encourage greater development, distribution and use of agricultural and forest material for biofuels, for electricity and for other forms of biomass energy use has also been put in place. The Business Energy Tax Credit has been amended to provide greater incentives for renewable energy.

Greenhouse gas reduction goals were codified by legislation. These goals are to start reducing greenhouse gas emissions by 2010, reduce levels to 10% less than 1990 levels by 2020 and reduce levels to 75% less than 1990 levels by 2050. The legislation recognized that Oregon forests play a significant role in sequestering

atmospheric carbon, and that losing this would have a significant negative effect on the reduction of carbon levels in the atmosphere.

A Global Warming Commission was established, responsible for developing recommendations to meet the greenhouse gas reduction targets. The Commission is also responsible for examining cap and trade systems, for developing an educational strategy on global warming issues, for tracking global warming impacts on Oregon and other issues. The Commission must also evaluate the carbon sequestration potential of Oregon's forests, alternative methods of forest management that can increase carbon sequestration and reduce the loss of carbon sequestration to wildfire, changes in the mortality and distribution of tree and other plant species and the extent to which carbon is stored in tree-based building materials; The bill also creates the Oregon Climate Research Institute in the Oregon University System.

The Department received one of the two requested positions for forest bio-energy/biomass work. Department workload impacted by this new legislation and continuing work on 2005 SB 1072 is expected to include:

1. Staff support to the Forest Biomass Work Group and work to implement their recommendations.
2. Promoting federal stewardship contracts that include fuel reduction and biomass utilization components.
3. Assisting the Global Warming Commission on forestry issues.
4. Coordinating with other state and federal partners on implementing and developing additional forest biomass initiatives.
5. Collecting data for the related Oregon Indicators of Sustainable forest management.
6. Conducting statewide assessments of forest resource conditions and support analysis of climate change effects and mitigation opportunities.
7. Developing incentives including the development of market-based solutions for sustainable forest health restoration practices.
8. Developing of forestry carbon-offset markets as an incentive for managing forests, utilizing wood products and maintaining the forestland base.

Commitments and Capacity: A number of other bills or legislative issues also will involve new workload items for the staff and/or the Board. Improvements to the Stewardship Agreement and Forest Resource Trust programs, for example, are among those that will require rule revisions or procedural changes. In other instances, the extent of workload is less clear. For example, legislation that created an Environmental Justice Task Force also directed natural resources agencies to support the Task Force and to create a citizen advocate position. However, the scope of this position's duties is not fully described, and no funding was included. As discussed above, pesticides and land use will be major issues the Department and Board will need to work on during the interim. Bio-energy work, while partially funded, will remain in excess of resources.

Role of State and Federal Forests: Throughout the Session questions were asked and concerns expressed by a broad range of legislators about the how federal forestlands were managed and how they should contribute revenue to local government and economies. The House passed Memorials related to management of federal lands. These included urging Congress to allow the Forest Service and Bureau of Land Management to enter into 15-year contracts for biomass removal from Federal Forests and urging Congress to pass the Secure Rural Schools and Community Self-Determination Reauthorization Act of 2007. Several bills related to the management of Board of Forestry and Common School forestlands were also introduced. These bills reflected serious consideration of the role of state-owned forestland by a significant group of legislators from both sides of the aisle

“Who pays?” for Fire Program: The budget process included discussions about the relative contributions of General and landowner funds. This discussion was complicated by the variety of allocations among the separate funding components. For example, 100 percent of the Fire Program’s agency-wide administrative costs are paid by the General Fund. While the policy target has been to share costs 50/50 across the total program, the various fund allocations and contributions create the impression that an imbalance may exist.

A budget note requires the Department, beginning with the 2007 fire season, to track and report “in-kind” firefighting resources provided by private landowners. The budget note further directs the Department to work under the Legislative Fiscal Office’s supervision to commission an independent audit “to validate usage and verifiable actual costs” incurred by the Department and by landowners.

NEXT STEPS

This item is presented for information and discussion, to help inform the Board’s work, planning and selection of priorities, in concert with the current work plans and the biennial issue scan. Staff will return with specific work items through ongoing processes, such as work plan implementation and the issue scan.

ATTACHMENT

- (1) List and description of forestry-related bills approved by the 2007 Legislature