

PUBLIC NOTICE

Oregon Department of State Lands Date posted: May 1, 2025

Comment Opportunity for Additional Proposed Changes to Fees for Oregon's Removal-Fill Program for Protecting Wetlands and Waters

The Department of State Lands (DSL) is seeking comments on proposed fee changes for Oregon's removal-fill program. The comment period is open from **May 1 – May 31, 2025.**

Due to significant changes based on public feedback, this is the second public comment period for the proposed fees following the initial one held earlier this year.

Oregon's Removal-Fill Program Fees

Oregon's Removal-Fill Law helps protect wetlands and waters by requiring permits to remove or add materials in wetlands, rivers, streams, lakes, and other waters of the state. For example, building bridges or boat ramps, installing culverts, or filling wetlands to develop property are common types of projects that require a removal-fill permit. When wetlands or waters are present, a delineation report is required to identify the boundaries of the protected resource.

The statutory Common School Fund heavily subsidizes <u>Oregon's removal-fill permitting process</u>. The current fees paid by developers, property owners, and other permit applicants cover just 21%. On average, it costs \$2.8 million every year to cover the remaining removal-fill permitting costs. With 2023's House Bill 2238, the Oregon Legislature approved moving removal-fill fees from statute into administrative rule, allowing the statutory Common School Fund subsidy to be addressed with a new fee structure.

<u>A rulemaking advisory committee (see RAC roster here)</u> was convened from July 2024 – November 2024 to inform the how program costs could be covered through changes to the fees, the proposed tiers that the fees would fall under, and how much the fees would be each year.

What Changed After the First Public Comment Period

- Removal-fill application type definitions revised: DSL received a comment noting that many projects by public entities benefit the public and are not for profit and therefore should be charged lower fees. In response, DSL updated the definitions for Application Type A and Type B to focus on the nature of the project—specifically whether it is for-profit or not—regardless of who is applying.
- Fee increases and cost recovery adjustment: To reflect the revised applicant definitions, DSL rebalanced the fee structure, which resulted in some fee increases. To prevent excessive increases, the overall cost recovery target was reduced from 85% to 80%, striking a balance between affordability and program sustainability. However, this will result in fewer costs being recovered.
- Hourly charges are limited to Tier 5 applicants: Initially, the proposed rules allowed DSL to charge an additional hourly rate for both Tier 4 and Tier 5 projects if staff time exceeded the standard fee. This has been revised: the hourly rate now applies only to Tier 5.
- **Revisions to billing processes:** In response to legal counsel, changes include how DSL will bill tier fees and other fees for removal-fill applications, how much time applicants have to pay, and the consequences of non-payment.
- Updated fees will be effective September 1, 2025, and subsequent increases are scheduled to fall on September 1: The original effective date of July 1 is now delayed due to the need for a second comment period.

What's Proposed

- Fees that will cover 80 percent of program costs within five years: Fees will increase gradually over the next five years, beginning with covering 60 percent of costs starting September 1, 2025 and increasing annually until 80 percent of costs are covered in 2030. This allows DSL to immediately begin addressing statutory Common School Fund impacts while also providing applicants with time to budget for increased fees. An annual inflation increase of 5 percent is also proposed.
- Fees that are based on time, resources required. DSL is proposing a tiered fee structure for wetland delineation reports and removal-fill permits that's aligned with how much staff time is required. The tiers for wetland delineation report reviews are based on the size of wetlands or waters present and the size of the study area. The tiers for removal-fill permits are based on the complexity of each permit application, and the environmental impacts of different project types on waters of the state.
- A five-year fee schedule that clearly states the cost of removal-fill program services: The fee schedules cover
 general authorizations, wetland determinations and delineation reports, and removal-fill permits (Individual,
 General, and Emergency).

See the proposed removal-fill program fees here (PDF).

Fee changes will be implemented in administrative rules OAR 141-089-0635; OAR 141-090-0032; and OAR 141-085-0545; related conforming rule changes will be implemented in administrative rules OAR 141-085-0510 and OAR 141-093-0120.

How to Comment

Visit the DSL website to see a draft of the proposed rules and program fees, all related materials from the rulemaking process, and the online comment form: www.oregon.gov/dsl/Pages/rulemaking.aspx

The comment deadline is Saturday, May 31, 2025, at 5:00 p.m. (Pacific). After the comment period is concluded and comments addressed, these proposed rules are presented to the Department Director for a decision.



Public Hearings

Feedback on the proposed rulemaking can be provided during virtual public meetings which will begin with an information session with time for questions, followed by a public hearing.

Wednesday, May 28 at 6:00 p.m. Thursday, May 29 at 9:00 a.m.

Meeting ID: 250 886 8653

Join online: <u>Click here for the meeting link</u> (Passcode: w#EnJ067)

Join by phone: 1-669-444-9171 (Passcode: 87671005)



Written Comments

Comments may also be submitted in writing by <u>online form</u>, emailed to <u>dsl.rules@dsl.oregon.gov</u> or mailed to DSL at 775 Summer Street NE, Suite 100, Salem, OR 97301.

Stay Updated

For the latest news on this draft rule and other proposed changes to administrative rules, subscribe to receive email updates or see the DSL website: www.oregon.gov/dsl/Pages/rulemaking.aspx