HB 2437-3 (LC 2728) 4/1/19 (MAM/ps)

Requested by HOUSE COMMITTEE ON AGRICULTURE AND LAND USE (at the request of Representatives Susan McLain and David Brock Smith)

PROPOSED AMENDMENTS TO HOUSE BILL 2437

1 Delete pages 2 through 6 of the printed bill and insert:

<u>"SECTION 1.</u> Sections 2 to 8 of this 2019 Act are added to and made
a part of ORS 196.600 to 196.905.

"SECTION 2. (1) The Legislative Assembly finds and declares that:
"(a) It is in the best interest of the state to create a simple regulatory approach for the maintenance of channels used for agricultural drainage and to improve awareness of, and compliance with, the removal and fill program provided for under ORS 196.600 to 196.905.

9 "(b) The provisions of sections 2 to 8 of this 2019 Act are designed 10 to protect the economic viability of Oregon's farmers and ranchers by 11 allowing for the maintenance of channels used for agricultural drain-12 age to be conducted in a manner that protects, maintains or improves 13 ecological function of the channels.

"(2) The Legislative Assembly declares that it is the policy of the
 state:

"(a) To adaptively manage the implementation of sections 2 to 8 of
 this 2019 Act to allow for a workable process for persons to maintain
 traditionally maintained channels while protecting the ecological and
 life history functions of fish and wildlife that inhabit the channels; and
 "(b) To place a high priority on and to encourage the identification
 and development of opportunities for voluntary actions to restore,

improve or enhance the ecological health or benefits of traditionally
maintained channels.

³ "<u>SECTION 3.</u> As used in sections 2 to 8 of this 2019 Act:

4 "(1) 'Adaptive management' has the meaning given that term in
5 ORS 541.890.

6 "(2) 'Channel' means the defined bed and bank that serve to confine
7 where a stream of water runs.

8 **"(3) 'Dry' means:**

9 "(a) Channel conditions where no flowing or standing water is 10 present, other than small quantities of water that may occur in low 11 areas of the channel as a direct result of active maintenance activities; 12 and

"(b) For the channel of a waterway that is subject to tidal influence,
 the existence of channel conditions described in paragraph (a) of this
 subsection during all tidal conditions.

"(4) 'Maintenance' means channel upkeep and removal from the
 channel of sediment, vegetation or debris, in the minimum amount
 necessary to restore the serviceability of the channel for facilitating
 drainage.

20 "(5) 'Traditionally maintained channel' means the channel of a 21 segment, set of segments or the entirety of a drainage ditch, inter-22 mittent stream or perennial stream that:

"(a) Has been routinely subject to maintenance to facilitate drain age related to farming or ranching operations; and

"(b) Has been serviceable for facilitating drainage within the past
 five years.

"<u>SECTION 4.</u> (1) Notwithstanding the permit requirements of ORS
196.810, a person may engage in removal activities or fill activities, or
both, for conducting maintenance of a traditionally maintained channel without a permit from the Department of State Lands if:

"(a) The person has a valid notice of maintenance activities on file
with the State Department of Agriculture prior to initiating activities
for the maintenance of a traditionally maintained channel; and

"(b) The maintenance activities are conducted in compliance with
the notice described in paragraph (a) of this subsection and with
sections 5 and 6 of this 2019 Act.

"(2) Notwithstanding the permit requirements of ORS 196.810, a district organized under ORS chapter 545, 547, 552 or 553 or a district improvement company or district improvement corporation organized under ORS chapter 554 may engage in removal activities or fill activities, or both, for conducting maintenance of a traditionally maintained channel without a permit from the Department of State Lands if:

"(a) The district, company or corporation has a valid notice of
 maintenance activities on file with the State Department of Agricul ture prior to initiating activities for the maintenance of a traditionally
 maintained channel;

"(b) The maintenance activities are conducted in compliance with
 the notice described in paragraph (a) of this subsection and with
 sections 5 and 6 of this 2019 Act; and

"(c) The governing body of the district, company or corporation,
as part of the notice filed pursuant to subsection (3) of this section,
agrees to submit to the jurisdiction of the Department of State Lands
and the State Department of Agriculture for purposes of enforcement
of sections 2 to 8 of this 2019 Act.

"(3) A person shall file a notice of maintenance activities with the State Department of Agriculture on a form developed by the department. A notice filed under this subsection is valid for a period of five years from the date that the notice is filed. The notice must:

30 "(a) Identify the location of the traditionally maintained channel

1 in which the maintenance activities will occur;

"(b) Include a description of the maintenance activities that, at a
minimum, identifies the linear miles of channel to be maintained and
the estimated volume per linear mile of material that will be removed
from the channel over the course of a five-year period; and

6 "(c) If the maintenance activities will be undertaken in part by a 7 district, company or corporation described in subsection (2) of this 8 section and in part by persons subject to the jurisdiction of the dis-9 trict, company or corporation, clearly identify which activities will be 10 undertaken by the district, company or corporation and which activ-11 ities will be undertaken by a person subject to the jurisdiction of the 12 district, company or corporation.

"(4) A district, company or corporation described in subsection (2) 13 of this section shall endeavor to submit the notice required under 14 subsection (2) of this section in coordination with submission of no-15tices under subsection (1) of this section by persons subject to the ju-16 risdiction of the district, company or corporation. The State 17 Department of Agriculture may develop a consolidated form for the 18 filing of notices by districts, companies and corporations and persons 19 subject to the jurisdiction of the districts, companies and corporations. 20"SECTION 5. (1) Activities for conducting maintenance of a tradi-21tionally maintained channel pursuant to a notice submitted under 22section 4 of this 2019 Act may not result in: 23

"(a) The removal of more than 3,000 cubic yards per linear mile of
traditionally maintained channel over the course of the five-year period for which the notice is valid;

"(b) The spreading of material in a wetland or converted wetland
pursuant to subsection (2)(k) of this section in a volume greater than
3,000 cubic yards per linear mile of traditionally maintained channel
over the course of the five-year period for which the notice is valid;

"(c) The removal or fill of material, or any other maintenance, occurring in a channel that has been designated by rule and mapped by
the Department of State Lands as essential indigenous anadromous
salmonid habitat as defined in ORS 196.810; or

"(d) The enlargement of a water right or in otherwise causing injury to another existing water right.

"(2) In addition to complying with all applicable laws related to fish passage as described in ORS 509.585 and all applicable laws related to water quality that are administered by the State Department of Agriculture, maintenance activities conducted pursuant to a notice submitted under section 4 of this 2019 Act must comply with the following conditions:

"(a) A traditionally maintained channel must be dry before the commencement of any removal activities in the channel. If there is standing water in the channel that is due to a rain event and not indicative of a perennial stream, a person must request a variance under section 6 (5) of this 2019 Act prior to initiation of maintenance activities.

19 "(b) A person must complete removal activities during the applica-20 ble regional dry maintenance time period established by the State De-21 partment of Fish and Wildlife for the region where the traditionally 22 maintained channel is located.

"(c) The body of motorized equipment used to conduct removal or fill activities must be operated from the bank of the channel, with only the bucket or portion of the motorized equipment that actively removes material operating within the channel.

"(d) The bottom of the channel bed must be excavated on a smooth
grade, in a manner that avoids creating depressions or grade changes
within the channel.

30 "(e) Maintenance activities must be conducted in a manner that

1 minimizes new erosion into the channel.

"(f) Removal of woody vegetation must be limited to the minimum
amount needed to complete the maintenance activity.

"(g) Revegetation must occur for any riparian areas that serve as
a buffer adjacent to the channel and that experience vegetation loss
as a result of the maintenance activity. This condition is satisfied
whether revegetation occurs naturally or after seeding.

"(h) Work related to the maintenance activity must be conducted
only from one bank of the channel, on either the north or east side,
when practicable, to minimize the ecological impacts of the maintenance activity.

"(i) Motorized equipment used for maintenance activities must uti lize existing crossings, if crossing the channel is necessary to complete
 maintenance activities.

"(j) Maintenance activities must begin at the most upstream lo cation of the traditionally maintained channel and progress down stream.

"(k) Material that is removed from the channel may be temporarily 18 placed in a wetland or converted wetland to dry, provided that the 19 material must, no later than one year after the date that the mainte-20nance activity was completed, be moved to uplands or be spread in a 21thin layer outside the riparian area that serves as a buffer adjacent 22to the channel. Fill activities related to the maintenance of a tradi-23tionally maintained channel must be limited to fill pursuant to this 24paragraph. 25

"(L) Maintenance activities may not result in converting wetlands
 to uplands and may not materially change the depth or functionality
 of a wetland.

"(m) Impacts to wetlands by the maintenance activities must be
 temporary and must be limited to impacts related to accessing the site

to conduct removal activities in the channel, the removal of material
and the disposal of removed material.

"(n) Maintenance activities may not result in a change in location of a channel through the digging of a new channel and the diversion of the flow from the old channel into the new channel or in increasing the width or depth of the channel beyond the width or depth to which the channel has routinely been maintained to facilitate drainage.

"(o) The maintenance activities must not alter any existing inlet
or outlet connections with other waterways.

"SECTION 6. (1) The State Department of Agriculture shall, no 10 later than five days after the date the department receives a notice 11 filed pursuant to section 4 of this 2019 Act, provide a copy of the notice 12to the State Department of Fish and Wildlife. The State Department 13 of Fish and Wildlife shall, within 30 days after receiving a copy of the 14 notice, provide a response to the State Department of Agriculture. The 15response may indicate that a review was conducted and the work may 16 proceed, or may provide recommendations on: 17

"(a) Whether the maintenance activities described in the notice will
 meet the requirements of section 5 of this 2019 Act; and

"(b) Whether conditions in addition to those required under section 5 of this 2019 Act are necessary to address the presence of endangered or threatened species, to protect endangered or threatened species' habitat quality or quantity, or to otherwise protect the existing functions of the channel.

"(2)(a) Except as provided under paragraph (b) of this subsection, the State Department of Agriculture shall include any conditions recommended by the State Department of Fish and Wildlife in the response to the notice required under subsection (3) of this section.

"(b) If the State Department of Agriculture disagrees with the rec ommendations of the State Department of Fish and Wildlife, the State

1 Department of Agriculture shall provide a copy of the notice and of 2 the recommendations to the Department of State Lands for the De-3 partment of State Lands to make a final determination regarding:

4 "(A) Whether the maintenance activities described in the notice
5 may occur without a removal or fill permit; and

"(B) What conditions in addition to those required under section 5
of this 2019 Act, if any, are necessary for the maintenance activities
to occur without a removal or fill permit.

9 "(c) The Department of State Lands shall provide any final deter-10 mination required pursuant to paragraph (b) of this subsection to the 11 State Department of Agriculture within five days after receiving the 12 copies of the notice and recommendations.

"(3) The State Department of Agriculture shall provide a response 13 to a notice filed pursuant to section 4 of this 2019 Act no later than 14 45 days after the date that the notice is received. The response must 15include any conditions in addition to those required under section 5 16 of this 2019 Act that the departments have determined are necessary, 17 pursuant to the process described in subsection (2) of this section, for 18 maintenance activities to occur in the traditionally maintained chan-19 nel without a removal or fill permit. If the State Department of Agri-20culture does not provide a response to a notice within the time period 21described in this subsection, maintenance activities may proceed as 22described in the notice and pursuant to section 5 of this 2019 Act. 23

"(4) Upon a request from the person submitting a notice under section 4 of this 2019 Act, the State Department of Agriculture and the State Department of Fish and Wildlife may provide for expedited review under subsections (1) to (3) of this section, if the expedited review is necessary to allow for maintenance activities to occur within a specific time period.

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"(5) Prior to initiation of maintenance activities, a person who has

a notice of maintenance activities on file with the State Department 1 of Agriculture may request from the State Department of Agriculture $\mathbf{2}$ a variance from any condition required under section 5 (2) of this 2019 3 Act or this section. The State Department of Agriculture shall consult 4 with the State Department of Fish and Wildlife before granting a $\mathbf{5}$ variance under this subsection. A person that has applied for a vari-6 ance may not commence maintenance activities until after the State 7 Department of Agriculture has granted the variance and informed the 8 person of any modifications to conditions or additional conditions that 9 must be met for the maintenance to occur. 10

"(6)(a) Subject to paragraph (b) of this subsection, the State Department of Agriculture or the State Department of Fish and Wildlife may enter onto and inspect lands for which notices have been filed under section 4 of this 2019 Act in order to develop the recommendations and response required by subsections (1) to (3) of this section or to ascertain compliance with sections 2 to 8 of this 2019 Act.

17 "(b) To enter onto and inspect lands under this subsection:

"(A) The Department of Agriculture shall first make a reasonable
 attempt to notify the landowner;

"(B) The departments may only enter onto and inspect the lands
 at a reasonable time; and

"(C) The State Department of Fish and Wildlife may not, without the express agreement of the person, district, company or corporation that filed the notice, enter onto and inspect the lands unless accompanied by the State Department of Agriculture.

"(7) The State Department of Agriculture shall maintain a record
 of a notice filed pursuant to section 4 of this 2019 Act and any related
 correspondence for 10 years after the date that the notice is received.
 "(8)(a) The Department of State Lands may, after consultation with

30 the State Department of Agriculture and the State Department of Fish

and Wildlife, adopt rules as necessary to implement sections 2 to 8 of
this 2019 Act. Rules adopted pursuant to this subsection may include,
but need not be limited to, rules:

"(A) Modifying the volume limits for removal or fill set forth in
section 5 (1) of this 2019 Act or applying different volume limits within
certain geographies for certain types or categories of traditionally
maintained channels; or

"(B) Modifying the conditions that apply for maintenance of a traditionally maintained channel set forth in section 5 (2) of this 2019 Act.
"(b) Any rules adopted under paragraph (a)(A) or (B) of this subsection must be based on the best available scientific information and
on findings that the rules will:

"(A) Allow for maintenance of traditionally maintained channels to
 be conducted in a manner that protects, maintains or improves the
 existing ecological and habitat function of traditionally maintained
 channels; and

"(B) Result in appropriate changes to the conditions required for
 conducting maintenance activities, under an adaptive management
 approach, for carrying out the state policy stated in section 2 of this
 2019 Act.

"(9) Nothing in sections 2 to 8 of this 2019 Act limits or otherwise
 changes the exemptions under ORS 196.905.

"(10) The costs of activities taken by the State Department of Fish
and Wildlife to carry out the duties of the department under sections
2 to 8 of this 2019 Act may not be charged to another state agency as
recompensable assistance under ORS 496.167 and 496.168.

27 "<u>SECTION 7.</u> Upon finding that a person has engaged in removal 28 activities or fill activities for the maintenance of a traditionally 29 maintained channel without a permit required under ORS 196.810 and 30 in violation of section 4, 5 or 6 of this 2019 Act, the State Department

of Agriculture or the Department of State Lands, in consultation with 1 the State Department of Fish and Wildlife, shall notify the person and $\mathbf{2}$ direct the person to take any actions necessary to bring the mainte-3 nance activities into compliance with ORS 196.600 to 196.905 within a 4 reasonable period of time. In all cases, the State Department of Agri- $\mathbf{5}$ culture or the Department of State Lands shall make reasonable ef-6 forts to induce voluntary compliance, prior to the assessment of any 7 civil penalty under ORS 196.890 for violation of section 4, 5 or 6 of this 8 2019 Act. 9

"SECTION 8. (1) The Department of State Lands and the State Department of Agriculture shall enter into a memorandum of understanding providing for the State Department of Agriculture to implement sections 2 to 8 of this 2019 Act. Subject to the terms of the memorandum of understanding, the State Department of Agriculture:
"(a) May perform the functions of the Department of State Lands in implementing and enforcing sections 2 to 8 of this 2019 Act.

"(b) Shall, in coordination with soil and water conservation districts, work to provide education on the requirements of sections 2 to
8 of this 2019 Act.

"(c) Shall, in coordination with the Department of State Lands, develop and implement a process for responding to requests to review the accuracy of the designation by the Department of State Lands and mapping of essential indigenous anadromous salmonid habitat as defined in ORS 196.810.

"(2) The Department of State Lands may enter into any memorandum of understanding other than that required under subsection (1)
of this section that is necessary for the implementation and enforcement of sections 2 to 8 of this 2019 Act.

"(3) The State Department of Agriculture, in consultation with the
 Department of State Lands and the State Department of Fish and

Wildlife, shall biennially conduct an adaptive management review of the implementation of sections 2 to 8 of this 2019 Act to determine whether implementation changes are required to best carry out the policy stated in section 2 of this 2019 Act.

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"SECTION 9. ORS 196.816 is amended to read:

"196.816. (1) As used in this section, 'traditionally maintained channel' has the meaning given that term in section 3 of this 2019 Act.

8 "(2) Notwithstanding ORS 196.810, the Department of State Lands may 9 establish by rule a general permit that allows the removal of no more than 10 cubic yards of material from waters of this state, including in essential 11 indigenous anadromous salmonid habitat, for the purpose of maintaining 12 drainage and protecting agricultural land.

"(3) Notwithstanding ORS 196.810, the department shall establish by 13 rule one or more general permits that allow the removal of material 14 from waters of this state, including in essential indigenous 15 anadromous salmonid habitat, to conduct maintenance of traditionally 16 maintained channels during channel conditions where flowing or 17 standing water is present. The general permits must require the 18 maintenance to be conducted in a manner that protects, maintains or 19 improves existing agricultural and ecological functions of the chan-20nels, including the life history functions of fish and wildlife that in-21habit the channels. In establishing a general permit under this 22subsection, the department shall utilize best available science and 23shall consult with the State Department of Agriculture, the State De-24partment of Fish and Wildlife, other relevant state or federal agencies 25and representatives of agricultural interests and conservation inter-26ests. 27

"(4) The Department of State Lands may waive the fees specified in ORS
196.815 for removal taking place under the provisions of this section.

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"SECTION 10. (1) The College of Agricultural Sciences of Oregon

State University shall conduct a study of the benefits and impacts of maintenance activities in traditionally maintained channels on habitat complexity and other biological parameters, including the benefits and impacts of maintenance activities for fish and wildlife that inhabit the channels. In conducting the study, the college shall assess the impacts of maintenance activities at a variety of geographic locations, in a variety of channel types and on a variety of channel conditions.

"(2) In designing and implementing the study, the college shall 8 consult with representatives of agricultural interests and conservation 9 interests, the Department of State Lands, the State Department of 10 Agriculture, the State Department of Fish and Wildlife and any other 11 interested agencies of state government, as defined in ORS 174.111, as 12 necessary to develop study questions and to design the study in a 13 manner that will best align with the needs of the Department of State 14 Lands, the State Department of Agriculture and the State Department 15 of Fish and Wildlife in applying adaptive management to the imple-16 mentation of sections 2 to 8 of this 2019 Act and ORS 196.816 (3). 17

"(3) The college shall submit a report on the study required by this section, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to agriculture in the manner provided under ORS 192.245, and to the Department of State Lands, the State Department of Agriculture and the State Department of Fish and Wildlife no later than January 1, 2025.

24 "SECTION 11. Section 10 of this 2019 Act is repealed on January 2,
25 2025.

26 "<u>SECTION 12.</u> Upon receipt of the study results contained in the 27 report required under section 10 of this 2019 Act, the State Department 28 of Agriculture shall consider the results in developing adaptive man-29 agement recommendations pursuant to section 8 (3) of this 2019 Act.

³⁰ "SECTION 13. Section 12 of this 2019 Act is repealed on January 2,

1 **2027.**

2 "SECTION 14. (1) The State Department of Agriculture, the De-3 partment of State Lands and the State Department of Fish and 4 Wildlife shall jointly prepare a report on activities in this state for the 5 maintenance of traditionally maintained channels. The State Depart-6 ment of Agriculture shall coordinate preparation of the report.

7 "(2) The report shall:

"(a) Describe activities related to the implementation of sections 2
to 8, 10 and 12 of this 2019 Act and the amendments to ORS 196.816 by
section 9 of this 2019 Act, including methods of implementation, compliance information and outcomes;

"(b) Provide a discussion of the biennial adaptive management re view required under section 8 (3) of this 2019 Act;

"(c) Include information on the number of notices required under
section 4 of this 2019 Act on file with the Department of Agriculture,
the linear miles of traditionally maintained channel in this state being
maintained and the amount of cubic yards of material being removed
pursuant to sections 2 to 8 of this 2019 Act;

"(d) Provide a discussion of the potential impacts and benefits to
 agricultural lands and ecological function by maintenance conducted
 pursuant to sections 2 to 8 of this 2019 Act;

"(e) Provide a discussion of opportunities to provide incentives to landowners to improve or enhance the ecological functions of channels maintained under sections 2 to 8 of this 2019 Act, including incentives provided to landowners during the period covered by the report; and

"(f) Include any other relevant information on the implementation
 and effectiveness of sections 2 to 8 of this 2019 Act.

28 **"(3)** The report may include recommendations for legislation.

"(4) The report shall be submitted to the interim committees of the
 Legislative Assembly related to agriculture in the manner provided

HB 2437-3 4/1/19 Proposed Amendments to HB 2437 under ORS 192.245 no later than December 15 of each odd-numbered
 year.

3 "SECTION 15. Section 14 of this 2019 Act is repealed on January 2,
4 2030.

5 "<u>SECTION 16.</u> (1) In addition to and not in lieu of any other ap-6 propriation, there is appropriated to the State Department of Agri-7 culture, for the biennium beginning July 1, 2019, out of the General 8 Fund, the amount of \$_____, which may be expended for the depart-9 ment to carry out the duties of the department under sections 2 to 8 10 of this 2019 Act.

"(2) In addition to and not in lieu of any other appropriation, there is appropriated to the State Department of Fish and Wildlife, for the biennium beginning July 1, 2019, out of the General Fund, the amount of \$_____, which may be expended for the department to carry out the duties of the department under sections 2 to 8 of this 2019 Act.

"(3) In addition to and not in lieu of any other appropriation, there
is appropriated to the Higher Education Coordinating Commission, for
distribution to the College of Agricultural Sciences of Oregon State
University, for the biennium beginning July 1, 2019, out of the General
Fund, the amount of \$_____, which may be expended by the college
to conduct the study required under section 10 of this 2019 Act.

"<u>SECTION 17.</u> (1) Sections 2 to 8 of this 2019 Act and the amendments to ORS 196.816 by section 9 of this 2019 Act become operative
on January 1, 2020.

"(2) The State Department of Agriculture, the Department of State Lands and the State Department of Fish and Wildlife may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the State Department of Agriculture, the Department of State Lands and the State Department of Fish and Wildlife, on and after the operative date specified in subsection (1) of

HB 2437-3 4/1/19 Proposed Amendments to HB 2437 this section, to exercise all of the duties, powers and functions conferred on the State Department of Agriculture, the Department of
State Lands and the State Department of Fish and Wildlife by sections
2 to 8 of this 2019 Act and the amendments to ORS 196.816 by section
9 of this 2019 Act.

6 "SECTION 18. This 2019 Act being necessary for the immediate 7 preservation of the public peace, health and safety, an emergency is 8 declared to exist, and this 2019 Act takes effect on its passage.".

9