Oregon
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To: The Honorable Michael Dembrow, Chair
Senate Committee on Environment and Natural Resources

House Bill 4091
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The Department appreciates the opportunity to discuss House bill 4091 with you today. The Sage-Grouse Mitigation Program is important to keeping Greater Sage-Grouse from becoming federally listed under the Endangered Species Act, and the Department supports House bill 4091.

The Sage-Grouse Mitigation Program (Mitigation Program) is housed in Oregon Department of Fish and Wildlife, and is a product of the Sage-Grouse Conservation Partnership (SageCon). The Mitigation Program is responsible for coordinating with developers to appropriately site proposed development in sage-grouse habitat and ensure compliance with the Wildlife Mitigation Policy.

The Mitigation Program has been working on an In-Lieu Fee (ILF) mitigation option to provide developers an additional choice to conducting mitigation for project impacts to sage-grouse. Mitigation can also be performed through Permittee-responsible mitigation and purchase of credits from an approved mitigation bank, though there are currently no mitigation banks for sage-grouse in Oregon.

The Mitigation Program has put significant effort into creating an ILF cost calculation to satisfy interest from developers proposing projects in sage-grouse habitat. Many entities nationwide were consulted to ensure the calculation best represents the true cost of mitigation actions and captures potential liabilities the State would assume by taking on mitigation responsibilities.

House bill 4091 creates a separate and distinct fund for Greater Sage-Grouse Mitigation ILF payments, and seeks legislative approval to put a portion of the funds received through the Mitigation Program's ILF option into the State's intermediate-term treasury account. Currently, all funds excepted through the ILF are placed into the State Wildlife Fund, which is set up for short-term investment. The low interest rate generated in this account effectively raises the ILF cost to developers.

An assessment of the different interest rates through the ILF calculation indicated that by using a combination of the short- and intermediate-term accounts, the ILF cost can be reduced by 10% for a

30-year impact up to 25% for a 100-year impact. This can be a significant reduction in cost when considering project size.

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