

HB 3856 STAFF MEASURE SUMMARY

House Committee On Agriculture, Land Use, Natural Resources, and Water

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/19, 3/24

WHAT THE MEASURE DOES:

The measure establishes a new personal **income tax of 0.13%** and requires generated funds to be transferred to the State Wildlife Fund for specified purposes.

Detailed Summary

Establishes a new personal income tax rate of 0.13%, along with a mechanism for annual inflation adjustments and applicable tax credits. Mandates that all revenues generated from this tax be deposited into a suspense account managed by the State Treasurer. After the disbursement of eligible refunds, the remaining **funds will be transferred to the State Wildlife Fund.**

Requires **funds to be transferred to the following entities per biennium** as follows:

- \$500,000 to the Office of Outdoor Recreation
- \$5 million to the Oregon Conservation and Recreation Fund
- \$20 million to the Private Forest Accord Mitigation Subaccount of the Oregon Conservation and Recreation Fund
- \$10 million to the Oregon Department of Agriculture for the implementation of the wolf depredation compensation and financial assistance grant program, and for the development and implementation of a wildlife damage compensation and financial assistance program.
- \$ 5 million to the Commercial Fisheries Fund for providing assistance to commercial Dungeness crab fishery participants.

Requires **remaining funds** to be deposited per biennium as follows:

- 34.3% to replace budgeted General Fund appropriations to the Oregon Department of Fish and Wildlife
- 2.4% to restore reductions in license programs over the last five biennia
- 19.3% to conservation and habitat programs to preserve native wildlife species
- 9.7% to hatchery capital and deferred maintenance at existing facilities
- 4.8% to support hatchery operations and production
- 1% to support youth hunting and fishing
- 1.4% for establishing a wildlife stewardship program to promote wildlife conservation in urban and suburban areas
- 7.2% for the design, permitting, and construction of wildlife connectivity projects
- 5.8% for the design, permitting, and construction of fish and wildlife infrastructure projects
- 3.4% for deferred maintenance and capital expenses at ODFW offices, facilities, and wildlife areas.
- 1.9% for specified grants related to beaver coexistence and beaver habitat restoration
- 2.4% for wildlife health programs
- 1.9% for wildlife species population monitoring, conservation, and management, and habitat restoration and maintenance
- 2.4% for providing technical assistance and support wildlife habitat projects that improve their resilience to wildfires and invasive species

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Establishes a temporary **tax credit** for tax years beginning on or after January 1, 2026, and before January 1, 2032, for wildlife related licenses, tags, or permits and donations to ODFW targeted for conservation. Authorizes the Department of Revenue to initiate **rulemaking for implementation** and to establish the necessary forms for tax credit claims. Specifies that the new tax **applies to tax years** beginning on or **after January 1, 2026** and clarifies its applicability to nonresidents. Requires **ODFW to biennially submit a report** by September 15 of each even-numbered year to an environment related interim committee of the Legislative on expenditures made using the new tax funding, including the status and outcomes of the funded activities. Takes effect on the 91st day following adjournment sine die.

FISCAL: Fiscal Impact Issued

REVENUE: Revenue Impact Issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Department of Fish and Wildlife (ODFW) receives funding from several sources. A third of ODFW's revenue comes from the sale of hunting and fishing licenses. Another third comes from the federal government – much of it tied to the sale of hunting and fishing equipment. The rest of the department funding comes from a variety of sources. Most of that funding can be used only for specific purposes spelled out in grants, contracts, or statute. Eleven percent of ODFW's revenue comes from Oregon's general tax dollars and the lottery combined.