

HB 3856 STAFF MEASURE SUMMARY

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

Action Date: 03/24/25

Action: Without recommendation as to passage, be referred to Revenue by prior reference, and then to Ways and Means.

Vote: 6-3-0-0

Yeas: 6 - Hartman, Helm, Marsh, McDonald, McLain, Owens

Nays: 3 - Boice, Levy B, Scharf

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 3/19, 3/24

WHAT THE MEASURE DOES:

The measure establishes a new personal **income tax of 0.13** percent and transfers tax revenue to the State Wildlife Fund for specified purposes.

Detailed Summary:

Establishes a new personal income tax at a rate of 0.13 percent a mechanism for annual inflation adjustments, and related 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 are transferred to the State Wildlife Fund**.

Requires **funds to be transferred to the following entities each 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 specified assistance to commercial Dungeness crab fishery participants.

Requires **remaining funds** to be distributed each biennium as follows:

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

This summary has not been adopted or officially endorsed by action of the committee.

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- 2.4 percent for wildlife health programs
- 1.9 percent for wildlife species population monitoring, conservation, and management, and habitat restoration and maintenance
- One percent for funding to Oregon's federally recognized tribes to implement actions consistent with cooperative management agreements that protect, restore, and enhance fish and wildlife populations and their habitat
- 0.9 percent for projects that increase recreational access in partnership with the Oregon Marine Board, the Oregon Department of Transportation, and ODFW
- 2.4 percent for providing technical assistance and support wildlife habitat projects that improve their resilience to wildfires and invasive species

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 legislative committee 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.

ISSUES DISCUSSED:

- Revenue differences between a scenario that adjusts income tax for inflation vs. a scenario where it remains constant
- Projected funds raised through proposed income tax increase

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Department of Fish and Wildlife (ODFW) receives funding from several sources. A third of ODFW's funding 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; ost funds can be used only for specific purposes spelled out in grants, contracts, or statute. Eleven percent of ODFW's funding comes from Oregon's general tax dollars and the lottery combined.