

# House Bill 3856

Sponsored by Representative HELM, Senator WEBER

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes a new personal income tax to fund ODFW and makes a new tax credit for people who buy fishing and hunting permits. (Flesch Readability Score: 69.1).

Imposes additional personal income tax. Adjusts the rate of the tax annually for inflation. Transfers the proceeds of the new income tax, less the amount of the new income tax credits allowed to taxpayers, to the State Wildlife Fund. Directs specific percentages of the proceeds to various programs of the State Department of Fish and Wildlife. Applies to tax years beginning on or after January 1, 2026.

Creates a credit against personal income taxes for the purchase of a license, tag or permit under the wildlife laws. Applies to tax years beginning on or after January 1, 2026, and before January 1, 2032.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to funding the State Department of Fish and Wildlife; prescribing an effective date; and  
3 providing for revenue raising that requires approval by a three-fifths majority.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 316.**

6 **SECTION 2. (1) As used in this section, "U.S. City Average Consumer Price Index" means**  
7 **the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as pub-**  
8 **lished by the Bureau of Labor Statistics of the United States Department of Labor.**

9 **(2) In addition to and not in lieu of any other tax, a tax is imposed on a taxpayer's taxable**  
10 **income as otherwise determined under this chapter. The tax shall be the product of 0.0013**  
11 **multiplied by the taxpayer's taxable income determined under this chapter, whether filing a**  
12 **joint return or another type of return, for the tax year.**

13 **(3) The Department of Revenue shall recompute the rate of the tax under this section**  
14 **as applicable to income earned in tax years beginning in each calendar year. The computation**  
15 **shall be as follows:**

16 **(a) Divide the monthly averaged U.S. City Average Consumer Price Index for the 12**  
17 **consecutive months ending August 31 of the prior calendar year by the monthly averaged**  
18 **index for the first six months of 2024.**

19 **(b) Recompute the rate of tax by multiplying 0.0013 by the appropriate indexing factor**  
20 **determined as provided in paragraph (a) of this subsection. The product obtained under this**  
21 **paragraph shall be carried to four decimal places.**

22 **(4) The tax imposed under this section is not subject to withholding under ORS 316.162**  
23 **to 316.221. Notwithstanding ORS 316.557 to 316.589, estimated tax payments are not required**  
24 **for the tax imposed under this section.**

25 **(5) Except as otherwise provided in this section, the tax imposed under this section must**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 be reported and collected at the same time and in the same manner as personal income taxes  
 2 imposed under this chapter are reported and collected. The provisions of ORS chapters 305  
 3 and 314 that apply to audits and examinations of returns, periods of limitation, determi-  
 4 nations of and notices of deficiencies, assessments, liens, delinquencies, penalties, interest,  
 5 claims for refunds, conferences, appeals to the Oregon Tax Court, stays of collection pending  
 6 appeal and the confidentiality of returns also apply to the tax imposed under this section.

7 (6)(a) The tax under this section shall be imposed on a nonresident in the proportion  
 8 provided in ORS 316.117.

9 (b) If a change in the status of a taxpayer from resident to nonresident or from nonres-  
 10 ident to resident occurs, the tax imposed under this section shall be determined in a manner  
 11 consistent with ORS 316.117.

12 **SECTION 3.** Notwithstanding ORS 316.502, all moneys received by the Department of  
 13 Revenue pursuant to section 2 of this 2025 Act, and interest thereon, shall be paid to the  
 14 State Treasurer to be held in a suspense account established under ORS 293.445. After the  
 15 payment of refunds, an amount equal to the sum calculated under section 5 (2) of this 2025  
 16 Act shall be deposited in the State Wildlife Fund established in ORS 496.300. The remaining  
 17 balance of the moneys received shall be deposited in the General Fund.

18 **SECTION 4.** (1) The amounts transferred under section 3 of this 2025 Act to the State  
 19 Wildlife Fund established in ORS 496.300 shall be distributed per biennium as follows:

20 (a) \$500,000 shall be transferred to the Office of Outdoor Recreation, to be used for the  
 21 purposes set forth in ORS 390.241.

22 (b) \$5,000,000 shall be transferred to the Oregon Conservation and Recreation Fund es-  
 23 tablished in ORS 496.252 for purposes specified for the fund.

24 (c) \$20,000,000 shall be transferred to the Private Forest Accord Mitigation Subaccount  
 25 of the Oregon Conservation and Recreation Fund established in ORS 496.252 (4) for purposes  
 26 specified for the subaccount.

27 (d) \$10,000,000 shall be transferred to the State Department of Agriculture to:

28 (A) Implement the wolf depredation compensation and financial assistance grant program  
 29 described in ORS 610.150; and

30 (B) Develop and implement programs and grants to compensate persons who suffered  
 31 damage, as defined in ORS 498.012, from wildlife and provide financial assistance to persons  
 32 who implement nonlethal deterrent techniques designed to reduce damage from wildlife.

33 (e) \$5,000,000 shall be transferred to the Commercial Fisheries Fund established in ORS  
 34 508.326 for the purpose of providing for financial assistance to commercial Dungeness crab  
 35 fishery participants for compliance costs associated with marine life entanglement identifi-  
 36 cation and reduction measures set by the State Fish and Wildlife Commission.

37 (2) After the transfers required under subsection (1) of this section, the remaining mon-  
 38 eys shall be distributed per biennium as follows:

39 (a) 34.3 percent of funds deposited shall replace budgeted amounts ordinarily appropriated  
 40 from the General Fund to the State Department of Fish and Wildlife.

41 (b) 2.4 percent of funds deposited shall be used to restore reductions in license programs  
 42 that are General Fund dedicated and dedicated to other funds in legislatively approved  
 43 budgets for the State Department of Fish and Wildlife in the five biennia immediately pre-  
 44 ceding the effective date of this 2025 Act.

45 (c) 19.3 percent of funds deposited to conservation and habitat programs to conserve

1 native wildlife species as specified in the state wildlife action plan required pursuant to  
2 Public Law 106-553.

3 (d) 9.7 percent of funds deposited to hatchery capital and deferred maintenance at exist-  
4 ing facilities. The department shall review the deferred maintenance and capital needs and  
5 report to the Legislative Assembly in 2045. In addition to considering the needs of Oregon's  
6 nine federally recognized tribes, the department shall consider the following factors in de-  
7 veloping projects for this purpose before expending funds:

8 (A) Environmental conditions.

9 (B) Hatchery performance.

10 (C) Hatchery cost.

11 (D) Local community values and economics.

12 (E) Risk to wild fish.

13 (e) 4.8 percent of funds deposited to support hatchery operations and production.

14 (f) One percent of funds deposited to support youth hunting and fishing by establishing  
15 a program to provide free licenses and support for organizations providing youth programs.

16 (g) 1.4 percent of funds deposited for the purposes of establishing a wildlife stewardship  
17 program to promote wildlife conservation in urban and suburban areas. The program shall  
18 include a grant program to support licensed wildlife rehabilitation centers that hold and treat  
19 injured and orphaned wildlife.

20 (h) 7.2 percent of funds deposited for the design, permitting and construction of projects  
21 that improve wildlife connectivity.

22 (i) 5.8 percent of funds deposited for the design, permitting and construction of fish and  
23 wildlife infrastructure projects including but not limited to fish passage, fish screening,  
24 tidegate replacement and wildlife-friendly fencing and administering the expenditures de-  
25 scribed in this section.

26 (j) 3.4 percent of funds deposited to deferred maintenance and capital expenses at de-  
27 partment offices, facilities and wildlife areas.

28 (k) 1.9 percent of funds deposited for the combined purposes of:

29 (A) Awarding grants biennially to applicants that include watershed councils, soil and  
30 water conservation districts and nonprofit organizations, of not more than \$50,000 in each  
31 grant cycle, to implement beaver coexistence projects on private land that quickly and effi-  
32 ciently mitigate the effects of beavers that live on, or regularly visit, the private land, in-  
33 cluding tree protection tools, flood prevention flow devices, culvert and infrastructure  
34 protection systems, crop protection strategies, landowner education and outreach and  
35 training related to mitigating the effects of beavers, providing statewide technical assistance  
36 to develop and expand skills and strategies for coexisting with beavers and authorizing and  
37 administering the expenditures described in this subparagraph.

38 (B) Awarding grants biennially to advance restoration of beaver habitat and beaver-  
39 modified habitat in Oregon including:

40 (i) Improving understanding of current beaver presence, constraints on beaver distrib-  
41 ution and the habitat needs of beavers in Oregon.

42 (ii) Designing, permitting and implementing habitat projects to benefit beaver habitat and  
43 beaver-modified floodplains.

44 (iii) Improving beaver management.

45 (L) 2.4 percent of funds deposited for wildlife health programs to improve the state's co-

1 ordination, monitoring, prevention and response related to zoonotic diseases and other  
2 wildlife diseases of concern.

3 (m) 1.9 percent of funds deposited for monitoring the numbers and health of wildlife  
4 species, setting population conservation and management objectives and overseeing wildlife  
5 habitat restoration and maintenance.

6 (n) One percent of funds deposited to provide funding to Oregon's federally recognized  
7 tribes to implement actions consistent with cooperative management agreements that pro-  
8 tect, restore and enhance fish and wildlife populations and their habitat.

9 (o) 0.9 percent of funds deposited on projects increasing recreational access, in partner-  
10 ship with the State Marine Board, the Department of Transportation and the State Depart-  
11 ment of Fish and Wildlife.

12 (p) 2.4 percent of funds deposited to provide technical assistance and support to projects  
13 aimed at improving the resilience of wildlife habitats to wildfires and invasive species.

14 **SECTION 5.** (1) On or before December 1 of each year, beginning in 2028, the Department  
15 of Revenue shall annually determine, for tax years beginning in the preceding calendar year:

16 (a) The amount received by the department under the tax imposed under section 2 of this  
17 2025 Act; and

18 (b) The amount of credits claimed by all taxpayers under section 7 of this 2025 Act.

19 (2) The department shall calculate a positive amount, if any, that is the difference be-  
20 tween that amount determined in subsection (1)(a) of this section, less that determined in  
21 subsection (1)(b) of this section.

22 **SECTION 6.** Section 7 of this 2025 Act is added to and made a part of ORS chapter 315.

23 **SECTION 7.** (1) A credit shall be allowed against the taxes otherwise due under ORS  
24 chapter 316 for:

25 (a) The purchase, for use by a taxpayer or by a dependent of the taxpayer, of a license,  
26 tag or permit issued pursuant to the wildlife laws.

27 (b) A donation to the State Department of Fish Wildlife targeted for conservation.

28 (2) The credit shall be allowed for the total amount paid during the tax year:

29 (a) As a donation; and

30 (b) For the purchase by the taxpayer of a valid license, tag or permit identified in ORS  
31 497.061.

32 (3) The amount of the credit shall equal the lesser of:

33 (a) The amount of donations and of the purchase price of the licenses, tags or permits;  
34 or

35 (b) The liability of the purchaser under section 2 of this 2025 Act.

36 (4) The Department of Revenue may:

37 (a) Adopt rules for carrying out the provisions of this section; and

38 (b) Prescribe the form used to claim a credit and the information required on the form,  
39 including information substantiating that the taxpayer has purchased a valid license, tag or  
40 permit as required under this section, or has made a valid donation.

41 (5) In the case of a credit allowed under this section:

42 (a) A nonresident shall be allowed the credit under this section in the proportion provided  
43 in ORS 316.117.

44 (b) If a change in the status of a taxpayer from resident to nonresident or from nonres-  
45 ident to resident occurs, the credit allowed under this section shall be determined in a

1 manner consistent with ORS 316.117.

2 (c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or  
3 if the department terminates the taxpayer's taxable year under ORS 314.440, the credit al-  
4 lowed under this section shall be prorated or computed in a manner consistent with ORS  
5 314.085.

6 SECTION 8. (1) Sections 2 to 5 of this 2025 Act apply to tax years beginning on or after  
7 January 1, 2026.

8 (2) Section 7 of this 2025 Act applies to tax years beginning on or after January 1, 2026,  
9 and before January 1, 2032.

10 SECTION 9. Beginning in 2030, on or before September 15 of each even-numbered year,  
11 the State Department of Fish and Wildlife shall submit a report, in the manner provided by  
12 ORS 192.245, to the committees or interim committees of the Legislative Assembly related  
13 to the environment. The report shall address the expenditures of moneys required under  
14 section 4 of this 2025 Act, including the status and outcomes of activities funded under sec-  
15 tion 4 of this 2025 Act.

16 SECTION 10. This 2025 Act takes effect on the 91st day after the date on which the 2025  
17 regular session of the Eighty-third Legislative Assembly adjourns sine die.

18