

B-Engrossed House Bill 3948

Ordered by the House June 30
Including House Amendments dated May 16 and June 30

Sponsored by Representative MORGAN; Representatives BECK, BROWN, CARLSON, DEVLIN, DOYLE, KING, KNOPP, LEE, MINNIS, MONNES ANDERSON, SCHRADER, SHETTERLY, T SMITH, WILLIAMS, Senators CASTILLO, MESSERLE (at the request of Associated Oregon Industries, Defenders of Wildlife)

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.

Creates Sustainability Board **within Oregon Department of Administrative Services**. Establishes membership and duties. Directs board to identify, evaluate and propose incentives for purpose of encouraging activities that sustain, protect and enhance quality of environment, economy and communities.

Sunsets Sustainability Board on January 2, 2006.

Creates Institute for Natural Resources to be administered by Oregon State University.

A BILL FOR AN ACT

Relating to natural resources enhancement; and appropriating money.

Whereas the Governor of the State of Oregon has adopted objectives to support sustainability; and

Whereas efforts in advancing sustainability exist throughout state government and a Sustainability Board would complement those efforts statewide; and

Whereas it is the intent of the Governor and the Legislative Assembly, in pursuit of goals for state government, that the state should employ the knowledge, expertise and creativity of Oregon's citizens, build upon existing private and public efforts throughout the state to ensure efficient and complementary results, develop voluntary, incentive-based and performance oriented systems to supplement traditional regulatory approaches, use good science to measure resource use, environmental health and costs to determine progress in achieving desired outcomes, and establish clear measurable goals and targets to guide state efforts toward sustainability; and

Whereas initial efforts to develop and utilize sustainable practices are occurring in business and citizen organizations, and there exists an opportunity to find broad agreement and support for practical steps toward more sustainable practices in Oregon; and

Whereas it is desirable to ensure that the state implements these directions and extends these goals and actions to any entity or sector that wishes to share in these goals or actions; now, therefore,

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

SECTION 1. For purposes of sections 1 to 9 of this 2001 Act:

(1) "Board" means the Sustainability Board established pursuant to section 2 of this 2001 Act.

(2) "Incentive" means a benefit conferred by any government body or agency upon a person for undertaking an activity designed, at least in part, to improve, enhance or sustain

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 the protection or quality of the environment, while at the same time having no significant,
2 deleterious economic effect.

3 (3) "Negative incentive" means a liability or cost imposed by any government body or
4 agency other than the resultant incidental consequences of government body or agency de-
5 cisions.

6 (4) "Sustainability" means using, developing and protecting resources in a manner that
7 enables people to meet current needs and provides that future generations can also meet
8 future needs, from the joint perspective of environmental, economic and community objec-
9 tives.

10 **SECTION 2.** (1) There is created within the Oregon Department of Administrative Ser-
11 vices a Sustainability Board consisting of the Governor or the Governor's representative and
12 seven additional members appointed by the Governor. In appointing members, the Governor
13 shall seek to appoint persons from all geographic regions of the state and from all commu-
14 nities who have a demonstrated ability to work in a cooperative and collaborative manner
15 with people of diverse interests. The Governor shall appoint members from the following
16 fields who have experience in matters pertinent to the effective operation of the board:

17 (a) One representative of business;

18 (b) One representative of small business;

19 (c) Three members with experience in natural resources, community health or econom-
20 ics;

21 (d) One member with experience in promoting sustainability; and

22 (e) One member with experience in promoting conservation of natural resources.

23 (2) The term of office of each member is four years, but a member serves at the pleasure
24 of the Governor. Before the expiration of the term of a member, the Governor shall appoint
25 a successor whose term begins on the January 1 next following. A member is eligible for
26 reappointment. If there is a vacancy for any cause, the Governor shall make an appointment
27 to become immediately effective for the unexpired term.

28 (3) The members of the board must be citizens of this state. Failure of a member to
29 maintain compliance with the eligibility requirements related to the member's appointment
30 shall result in disqualification from serving on the board.

31 (4) The appointment of a member of the board is subject to confirmation by the Senate
32 in the manner prescribed in ORS 171.562 and 171.565.

33 (5) All agencies, departments and officers of this state are directed to assist the board
34 in the performance of its functions and to furnish such information and advice as the
35 members of the board consider necessary to perform their functions.

36 **SECTION 3.** (1) In addition to any other duties or powers provided by law, the
37 Sustainability Board:

38 (a) Shall identify, evaluate and propose incentives and the removal of negative incentives
39 for the purposes of encouraging activities that best sustain, protect and enhance the quality
40 of the environment, economy and community for the present and future benefit of
41 Oregonians.

42 (b) Shall make recommendations and propose legislation, regulatory changes or policy
43 modifications to agencies, the Governor, the Legislative Assembly, private entities or other
44 bodies regarding the adoption of identified incentives and removal of identified negative in-
45 centives.

1 (c) Shall develop and promote policies and programs that will assist in the meeting of
2 sustainability goals specified in section 4 of this 2001 Act.

3 (d) Shall submit a biennial report to the Legislative Assembly by March 31 of each odd-
4 numbered year on the board's activities and recommendations.

5 (e) May apply for and accept, from whatever source, appropriations, gifts or grants of
6 money or other property. The board shall deposit moneys received under this paragraph into
7 the State Treasury to the credit of the Sustainability Board Fund established under section
8 9 of this 2001 Act.

9 (f) Shall consult with and seek comment from trade associations, organizations, busi-
10 nesses and other groups and individuals representing pertinent interests as part of develop-
11 ing recommendations.

12 (g) Shall develop and promote proposals that jointly and mutually enhance local econo-
13 mies, the environment and community health for the present and future benefit of
14 Oregonians.

15 (2) The Sustainability Board may not:

16 (a) Propose or recommend negative incentives.

17 (b) Circumvent, overrule, repeal or otherwise overturn rules, orders, agreements or pol-
18 icies of state agencies, governmental bodies or other bodies.

19 (c) Require or prohibit rulemaking or other regulatory functions of a state agency, gov-
20 ernmental body or other body.

21 (3) Nothing in this section is meant to discourage or prohibit any person, group or com-
22 mittee from discussing or proposing mechanisms, including the modification of tax policies,
23 to promote sustainability.

24 SECTION 4. The Legislative Assembly finds and declares the following goals for the State
25 of Oregon regarding sustainability:

26 (1) In conducting internal operations, state agencies shall, in cooperation with the
27 Oregon Department of Administrative Services, seek to achieve the following objectives:

28 (a) State purchases should be made so as to serve the broad, long term financial interests
29 of Oregonians, including ensuring that environmental, economic and societal improvements
30 are made so as to enhance environmental, economic and societal well-being.

31 (b) Investments in facilities, equipment and durable goods should reflect the highest
32 feasible efficiency and lowest life cycle costs.

33 (c) Investments and expenditures should help promote improvements in the efficient use
34 of energy, water and resources.

35 (d) State operations should be located in diverse locations, including rural and distressed
36 communities.

37 (e) State operations and purchases should help maintain vital and active downtown and
38 main street communities.

39 (f) State purchases should help support opportunities for economically distressed com-
40 munities and historically underemployed people.

41 (g) State operations should reflect partnerships with communities and businesses.

42 (h) State operations should help reduce adverse impacts on native habitats and species
43 and help restore ecological processes.

44 (i) State operations should be conducted in ways that significantly increase the efficient
45 use of energy, water and resources.

1 (j) State operations and purchases should reflect the efficient use and reuse of resources
2 and reduction of contaminants released into the environment.

3 (2) In supporting sustainable communities, state agencies shall seek to enable and en-
4 courage local communities to achieve the following objectives:

5 (a) Resilient local economies that provide a diversity of economic opportunities for all
6 citizens.

7 (b) Workers supported by lifelong education to ensure a globally competitive workforce.

8 (c) An independent and productive citizenry.

9 (d) Youth supported by strong families and communities.

10 (e) Downtowns and main street communities that are active and vital.

11 (f) Development that wisely and efficiently uses infrastructure investments and natural
12 resources.

13 (g) Affordable housing available for citizens in community centers.

14 (h) Healthy urban and rural watersheds, including habitats for fish and wildlife.

15 (i) Clean and sufficient water for all uses.

16 (j) Efficient use and reuse of resources and minimization of harmful emissions to the
17 environment.

18 (3) Intensification of efforts to increase the economic stability of communities designated
19 as economically distressed.

20 SECTION 5. Notwithstanding the term of office specified by section 2 of this 2001 Act,
21 of the members first appointed to the Sustainability Board:

22 (1) One shall serve for a term ending January 1, 2003.

23 (2) Two shall serve for terms ending January 1, 2004.

24 (3) Two shall serve for terms ending January 1, 2005.

25 (4) Two shall serve for terms ending July 1, 2005.

26 SECTION 6. (1) The Governor, or a member of the Sustainability Board designated by the
27 Governor, shall serve as the chairperson of the board. The board shall select one of its
28 members as vice chairperson. The board shall determine the terms, duties and powers nec-
29 essary for the performance of the functions of such offices.

30 (2) A majority of the members of the board constitutes a quorum for the transaction of
31 business.

32 (3) The board shall meet at least once every three months at a place, day and hour de-
33 termined by the board. The board also shall meet at other times and places specified by the
34 call of the chairperson or of a majority of the members of the board.

35 (4) The board may establish rules of procedure for operations. The board shall seek
36 agreement by consensus but may adopt positions by vote pursuant to procedures adopted by
37 the board.

38 SECTION 7. (1) The Sustainability Board shall appoint a director to serve at the pleasure
39 of the board. The appointment of the director shall be subject to confirmation by the Senate
40 as provided in section 4, Article III, Oregon Constitution.

41 (2) The designation of the director must be by written order, filed with the Secretary of
42 State.

43 (3) The director shall receive such salary as may be fixed by the board. In addition, the
44 director shall receive actual and necessary travel and other expenses incurred in the per-
45 formance of official duties as provided in ORS 292.495.

1 **(4) Subject to any applicable provisions of the State Personnel Relations Law, the director**
2 **shall appoint all subordinate officers and employees of the board, prescribe their duties and**
3 **fix their compensation.**

4 **SECTION 8. In accordance with applicable provisions of ORS 183.310 to 183.550, the**
5 **Sustainability Board may adopt rules necessary for governing its operations and procedures.**

6 **SECTION 9. (1) The Sustainability Board Fund is established in the State Treasury, sep-**
7 **arate and distinct from the General Fund. Interest earned by the Sustainability Board Fund**
8 **shall be credited to the fund.**

9 **(2) All moneys received by the Sustainability Board under section 3 of this 2001 Act shall**
10 **be paid into the State Treasury and deposited into the General Fund to the credit of the**
11 **Sustainability Board Fund. Such moneys are continuously appropriated to the Sustainability**
12 **Board for the purposes of administering sections 1 to 9 of this 2001 Act.**

13 **SECTION 10. There is appropriated to the Oregon Department of Administrative Services**
14 **for the Sustainability Board, for the biennium beginning July 1, 2001, out of the General**
15 **Fund, the amount of \$100,000 for the purpose of carrying out sections 1 to 9 of this 2001 Act.**

16 **SECTION 11. The Oregon Progress Board shall evaluate the goals specified in section 4**
17 **of this 2001 Act and other potential measures, including benchmarks, for effectiveness in**
18 **measuring progress toward sustainability. The board may consult with the Oregon Depart-**
19 **ment of Administrative Services and other agencies as appropriate to complete the evalu-**
20 **ation. The Oregon Progress Board shall include the findings of the evaluation conducted**
21 **under this section in its report specified by ORS 285A.174.**

22 **SECTION 12. (1) There is created within the Department of Higher Education the Insti-**
23 **tute for Natural Resources. The Institute for Natural Resources shall be administered by**
24 **Oregon State University.**

25 **(2) The purpose of the Institute for Natural Resources is to:**

26 **(a) Serve as a clearinghouse for scientifically based natural resources information;**

27 **(b) Provide scientifically based natural resources information to the public in integrated**
28 **and accessible formats;**

29 **(c) Coordinate efforts with other state agencies and bodies to provide natural resources**
30 **information to the public in a comprehensive manner;**

31 **(d) Facilitate and conduct research; and**

32 **(e) Provide information and technical tools to assist decision-making on natural re-**
33 **sources issues.**

34 **(3) Using existing resources, state agencies designated by the Governor shall enter into**
35 **a memorandum of understanding, or other agreement deemed appropriate by the Governor,**
36 **with the institute that defines and clarifies the roles and responsibilities of the agencies in**
37 **order to prevent duplication of effort and to ensure that agency resources are used effi-**
38 **ciently.**

39 **(4) State agencies may contract with the institute to fulfill agency needs regarding the**
40 **collection, storage, integration, analysis, dissemination and monitoring of natural resources**
41 **information and natural resources research and training.**

42 **SECTION 13. Sections 1 to 12 of this 2001 Act shall be known as the Oregon Sustainability**
43 **Act.**

44 **SECTION 14. Section 7 of this 2001 Act becomes operative July 1, 2002.**

45 **SECTION 15. Sections 2, 3 and 5 to 10 of this 2001 Act are repealed January 2, 2006.**

SECTION 16. Section 1 of this 2001 Act is amended to read:

Sec. 1. For purposes of sections 1 to 9 of this 2001 Act[:],

[(1) "*Board*" means the *Sustainability Board* established pursuant to section 2 of this 2001 Act.]

[(2) "*Incentive*" means a benefit conferred by any government body or agency upon a person for undertaking an activity designed, at least in part, to improve, enhance or sustain the protection or quality of the environment, while at the same time having no significant, deleterious economic effect.]

[(3) "*Negative incentive*" means a liability or cost imposed by any government body or agency other than the resultant incidental consequences of government body or agency decisions.]

[(4)] "sustainability" means using, developing and protecting resources in a manner that enables people to meet current needs and provides that future generations can also meet future needs, from the joint perspective of environmental, economic and community objectives.

SECTION 17. Section 16 of this 2001 Act becomes operative January 2, 2006.
