

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	7 - 0 - 1
Yeas:	Bailey, Bentz, Galizio, Gilliam, Thatcher, Witt, Read
Nays:	0
Exc.:	Holvey
Prepared By:	Barbara Allen, Administrator
Meeting Dates:	5/14

WHAT THE MEASURE DOES: Removes requirement that proposals for purchase of real property from the state be accompanied by a certified check or bond furnished by surety company in the amount not less than 10 percent of total value of proposal.

ISSUES DISCUSSED:

- Removing roadblock to negotiating sale of state-owned property with private entities
- Limited availability of cash in current economic climate

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: ORS 270.010 requires that the State of Oregon hold ownership of no more state-owned real property than necessary to conduct official business and that surplus real property be transferred through lease or sale to private parties. When a state agency prepares the sale of state-owned real property and seeks proposals for purchase, ORS 270.135 requires respondents to provide earnest money in the form of a certified check or bond for 10 percent of the total value of the land. An applicant must have the 10 percent bond before a state agency can discuss their proposal for the purchase of state-owned land.

The current economy makes it difficult for the state to lease or sell surplus state land, which in turn limits the state in attracting private development and enterprise. Proponents assert that the 10 percent bond requirement is a barrier to the state successfully leasing or selling land.

Senate Bill 970 does not change any of the other statutorily proscribed procedures for the lease or sale of state-owned surplus real property.