

**A-Engrossed**  
**House Bill 2216**

Ordered by the House May 5  
Including House Amendments dated May 5

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for State Forestry Department)

**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.

Modifies certain provisions related to ability of State Board of Forestry to acquire lands. **Authorizes certain management practices for land acquired by board on or after effective date of Act.**

**Establishes State Forest Acquisition Fund. Continuously appropriates moneys in fund to board for purpose of acquiring parcels in Gilchrist area of Klamath County for use as state forestland. Authorizes Oregon Department of Administrative Services to issue lottery bonds for biennium beginning July 1, 2009. Directs proceeds of lottery bonds to be deposited in fund.**

**Establishes Forest Acquisition County Reimbursement Fund. Continuously appropriates moneys in fund to State Forestry Department for purpose of reimbursing counties for loss of tax revenue that occurs when department acquires land from county immediately prior to taxation. Specifies formula for reimbursement.**

**Authorizes State Treasurer to issue revenue bonds for purposes related to acquiring forestland.**

Establishes Forest Development Revenue Bond Fund. Continuously appropriates moneys in fund to *[State]* board *[of Forestry]* for purposes of paying certain bond-related costs.

Establishes State Forestry General Obligation Bond Fund. Continuously appropriates moneys in fund to *[State Forestry]* department for purposes of paying certain bond-related costs.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to the State Board of Forestry authorization to acquire lands; creating new provisions;  
3 amending ORS 293.701, 526.060, 530.020, 530.110, 530.130, 530.230, 530.240 and 530.280; repealing  
4 ORS 530.150 and 530.160; appropriating money; and declaring an emergency.

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

6 **SECTION 1. As used in ORS 530.010 to 530.170 and 530.210 to 530.280:**

7 (1) "Bond-related costs" means:

8 (a) The costs and expenses of issuing, administering and maintaining bonds, including but  
9 not limited to paying principal and interest, and premiums if any, on general obligation or  
10 revenue bonds, redeeming general obligation or revenue bonds, paying amounts due in con-  
11 nection with credit enhancements or any instruments authorized by ORS 286A.580 (6) and  
12 paying the administrative costs and expenses of the State Treasurer and the State Forestry  
13 Department, including costs of consultants or advisors retained by the treasurer or the de-  
14 partment for the bonds;

15 (b) The costs of funding any bond reserves;

16 (c) Capitalized interest for bonds;

17 (d) Rebates or penalties due to the United States in connection with the bonds; and

18 (e) Any other costs or expenses that the State Treasurer or the State Forestry Depart-

**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 ment determines are necessary or desirable in connection with issuing, administering or  
2 maintaining the bonds.

3 (2) "Reforestation" means to increase tree stocking to a level that meets or exceeds the  
4 stocking standards relating to productivity specified by the State Board of Forestry by rule.

5 **SECTION 2.** For acquisitions made by the State Board of Forestry on or after the effec-  
6 tive date of this 2009 Act:

7 (1) The board may hold and manage lands alone or in cooperation with other entities,  
8 including but not limited to community forest authorities under ORS 530.600 to 530.628.

9 (2) The board may acquire lands or partial interest in lands, including but not limited to  
10 conservation easements.

11 (3) Subject to any covenants under section 4 of this 2009 Act or ORS 530.130, the board  
12 may sell lands or partial interest in lands, including but not limited to conservation ease-  
13 ments, to other parties if the board determines that the other parties are better situated to  
14 manage the lands for the long term.

15 **SECTION 3.** Sections 2, 4 and 5 of this 2009 Act are added to and made a part of ORS  
16 530.010 to 530.170.

17 **SECTION 4.** (1) The Forest Development Revenue Bond Fund is established separate and  
18 distinct from the General Fund. Interest earned by the Forest Development Revenue Bond  
19 Fund shall be credited to the fund. Moneys in the fund may be invested as provided in ORS  
20 286A.025 and 293.701 to 293.820. All moneys in the fund are continuously appropriated to the  
21 State Board of Forestry for the purposes of paying bond-related costs when due on the re-  
22 venue bonds issued under ORS 530.140 on or after the effective date of this 2009 Act.

23 (2) The Forest Development Revenue Bond Fund may be credited with:

24 (a) Moneys deposited in the fund from the State Forestry Department Account, to the  
25 extent that the State Forestry Department allocates proceeds from the sale of revenue bonds  
26 issued on or after the effective date of this 2009 Act under ORS 530.140 to the payment of  
27 bond-related costs;

28 (b) Proceeds from the disposal of lands acquired with revenue bonds that were issued on  
29 or after the effective date of this 2009 Act under ORS 530.140;

30 (c) Proceeds from the disposal of forest products, as defined in ORS 532.010, minerals or  
31 other forest-related values derived from the lands acquired with revenue bonds that were  
32 issued on or after the effective date of this 2009 Act under ORS 530.140; and

33 (d) Gifts, grants or any other unrestricted moneys paid to the State Forestry Department  
34 or the State Board of Forestry or appropriated by the Legislative Assembly that may be used  
35 for the purpose set forth in this section.

36 (3) The board or the State Forester may make covenants related to, or pledge moneys  
37 deposited in, the fund that the board or forester, after consultation with the State Treasurer,  
38 determines to be necessary or desirable for the repayment of revenue bonds and the payment  
39 of bond-related costs.

40 **SECTION 5.** Revenue bonds issued under ORS 530.140 may be refunded as provided under  
41 ORS chapter 286A.

42 **SECTION 6.** (1) For the biennium beginning July 1, 2009, at the request of the Oregon  
43 Department of Administrative Services, after the department consults with the State Board  
44 of Forestry, the State Treasurer is authorized to issue lottery bonds pursuant to ORS  
45 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$\_\_\_\_\_ for the purpose

1 described in subsection (2) of this section plus an additional amount, to be estimated by the  
2 State Treasurer, for the payment of bond-related costs.

3 (2) Notwithstanding ORS 526.060, the net proceeds of lottery bonds issued pursuant to  
4 this section shall be deposited in the State Forest Acquisition Fund established under section  
5 7 of this 2009 Act for use as provided in section 7 of this 2009 Act.

6 (3) The use of lottery bond proceeds as provided in this section is authorized by the fol-  
7 lowing:

8 (a) The Gilchrist area of Klamath County is an economically stressed region;

9 (b) State acquisition of parcels located in the Gilchrist area of Klamath County for  
10 management as state forestland would produce economic benefits for the area, including but  
11 not limited to income from the harvest of forest products and direct employment and eco-  
12 nomic benefit from processing harvested forest products;

13 (c) State acquisition of parcels in the Gilchrist area of Klamath County and management  
14 of those parcels as state forestland will result in increased employment in the tourism in-  
15 dustry and other industries related to the development of recreational attractions on the  
16 parcels; and

17 (d) There exists a substantial risk that failure to acquire certain parcels in the Gilchrist  
18 area of Klamath County for use as state forestland will result in the parcels being converted  
19 to nonforest use, resulting in the loss of existing forest industry jobs and existing jobs in  
20 related industries in the area.

21 **SECTION 7.** The State Forest Acquisition Fund is established in the State Treasury,  
22 separate and distinct from the General Fund. The State Forest Acquisition Fund shall consist  
23 of moneys deposited in the fund under section 6 of this 2009 Act. The moneys in the State  
24 Forest Acquisition Fund and the interest earnings on moneys in the fund are continuously  
25 appropriated to the State Board of Forestry for the purpose of acquiring parcels in the  
26 Gilchrist area of Klamath County for use as state forestland.

27 **SECTION 8.** (1) The Forest Acquisition County Reimbursement Fund is established in the  
28 State Treasury, separate and distinct from the General Fund. Interest earned by the Forest  
29 Acquisition County Reimbursement Fund shall be credited to the fund. Moneys in the Forest  
30 Acquisition County Reimbursement Fund are continuously appropriated to the State  
31 Forestry Department for use as provided in this section.

32 (2) The fund shall consist of moneys deposited in the fund pursuant to ORS 530.110 (3).

33 (3) If the department uses proceeds from bonds issued on or after the effective date of  
34 this 2009 Act under ORS 530.140 or 530.210 to 530.280, or from lottery bonds that were issued  
35 on or after the effective date of this 2009 Act, to acquire land that immediately prior to ac-  
36 quisition by the department was subject to taxation by a county, the department shall make  
37 payments as provided in this section to reimburse the county for the loss of tax revenue  
38 from the acquired land. The amount paid to a county under this section shall be the amount  
39 by which the tax revenue to the county for the last year in which the acquired land was  
40 taxable exceeds the amounts distributed to the counties under ORS 530.110 (1)(b) or (2)(c)  
41 from revenue generated by that land. However, if in any year the amounts distributed under  
42 ORS 530.110 (1)(b) or (2)(c) from revenue generated by the acquired land equals or exceeds  
43 the tax revenue to the county for the last year in which the acquired land was taxable,  
44 payments under this section in regard to that land shall terminate and not resume.

45 **SECTION 9.** ORS 530.020 is amended to read:

1 530.020. Title to all lands acquired by the State Board of Forestry under ORS 530.010 shall be  
 2 free and clear of all encumbrances except easements of rights of way and reservations or exceptions  
 3 of gas, oil, coal, mineral and timber rights, **unless the board determines other encumbrances**  
 4 **will not unduly limit the management of the lands consistent with ORS 530.010 to 530.170.**  
 5 All titles shall be approved by the Attorney General before conveyance is accepted. However, the  
 6 Attorney General may approve title to lands proposed to be acquired from counties under the pro-  
 7 visions of ORS 530.030 or proposed to be acquired by donation or devise when, in the opinion of the  
 8 Attorney General, existing defects of title are of formal nature and may be cured by suit to quiet  
 9 title. In case of acquisition of lands with defective title, the Attorney General may institute suit to  
 10 quiet title to such lands, and all costs in connection therewith shall be a proper charge against the  
 11 funds of the board. All deeds, abstracts, title insurance policies, and other evidences of title to lands  
 12 acquired under ORS 530.010 to 530.040 shall be deposited with the Secretary of State. All deeds shall  
 13 promptly be recorded in the county in which the lands are situated.

14 **SECTION 10.** ORS 530.110 is amended to read:

15 530.110. (1) All revenues derived from lands acquired without cost to the state, or acquired from  
 16 counties pursuant to ORS 530.030, shall be paid into the State Treasury and credited to the State  
 17 Forestry Department Account and shall be used [*exclusively for the purposes stated in subsection (3)*  
 18 *of this section, and*] in accordance with the following distribution:

19 (a) Fifteen percent shall be credited to the State Forests Protection Subaccount of the State  
 20 Forestry Department Account until the amount in such subaccount [*shall reach*] **reaches** \$475,000.  
 21 Thereafter, the revenues shall be disposed of as stated in paragraphs (b) and (c) of this subsection,  
 22 unless needed to maintain the \$475,000 level. All moneys in the State Forests Protection Subaccount  
 23 are [*appropriated*] continuously **appropriated** to the State Forester who may use such money under  
 24 the following priorities:

25 (A) First, in addition to or in lieu of other moneys available, to pay the cost of protection, as  
 26 determined under ORS 477.270, for lands acquired under ORS 530.010 to 530.040.

27 (B) Second, to provide moneys needed for activities authorized by subsection (3) of this section.

28 (C) From remaining moneys, to pay costs incurred in the suppression of fire originating on or  
 29 spreading from an operation area, as defined in ORS 477.001, on state-owned forestland acquired  
 30 under ORS 530.010 to 530.040. The State Forester shall make payments with approval of the State  
 31 Board of Forestry for such fire suppression costs,[:] except that no payments shall be made for such  
 32 costs or portion thereof when other parties are responsible under law or contracts for the payment  
 33 of such costs.

34 (b) Seventy-five percent of all such revenues remaining after the percentage disposed of as  
 35 stated in paragraph (a) of this subsection, shall be disposed of as provided in ORS 530.115.

36 (c) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated  
 37 in paragraph (a) of this subsection, shall be used for the purposes set out in subsection (3) of this  
 38 section.

39 (2) **Except as provided in section 4 of this 2009 Act and ORS 530.280,** all revenues from lands  
 40 other than lands designated in subsection (1) of this section, acquired under ORS 530.010 to 530.040,  
 41 shall be paid into the State Treasury and credited to the State Forestry Department Account and  
 42 shall be used [*exclusively for the purposes stated in subsection (3) of this section, and*] in accordance  
 43 with the following distribution:

44 (a) Until each legal subdivision of the lands has been credited with an amount equal to the  
 45 purchase price thereof, the revenues shall reimburse the State Forestry Department Account. If

1 sufficient revenue to reimburse the State Forestry Department Account is not generated from the  
 2 purchased parcels within five years from the date of acquisition, the State Forester, with the consent  
 3 of the affected county, shall deduct all or portions of the unreimbursed purchase costs from the re-  
 4 venue distributed to that county in accordance with ORS 530.115 (1). **After the State Forestry**  
 5 **Department Account has been reimbursed for the purchase price of the lands, the revenue**  
 6 **from the lands shall be distributed according to the formula specified in [Thereafter]** para-  
 7 graphs (b), (c) and (d) of this subsection [apply].

8 (b) The percentage required under subsection (1)(a) of this section shall be credited to the State  
 9 Forests Protection Subaccount, [thereafter,] **and** the revenues shall be disposed of as stated in par-  
 10 agraphs (c) and (d) of this subsection.

11 (c) Seventy-five percent of all such revenues remaining after paragraphs (a) and (b) of this sub-  
 12 section have been complied with, shall be disposed of as provided in ORS 530.115.

13 (d) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated  
 14 in paragraphs (a) and (b) of this subsection, shall be used for the purposes set out in subsection (3)  
 15 of this section.

16 (3) Unless otherwise consented to in advance and in writing by the counties from which the  
 17 state has acquired lands without cost to the state or pursuant to ORS 530.130, the moneys in the  
 18 State Forestry Department Account derived from those percentages of revenues set out in sub-  
 19 sections (1)(c) and (2)(d) of this section shall be used exclusively for the [redemption of Oregon forest  
 20 development revenue bonds and payment of interest thereon, for the acquisition, development and  
 21 management of forestlands and] **following purposes and in the following order:**

22 (a) **First, for the payment of bond-related costs for bonds issued under ORS 530.140.**

23 (b) **Second, to the Forest Acquisition County Reimbursement Fund to the extent neces-**  
 24 **sary for paying tax revenue reimbursements to counties under section 8 of this 2009 Act.**

25 (c) **Third,** for such other purposes as are necessary in carrying out ORS 530.010 to 530.110.

26 **SECTION 11.** ORS 530.110, as amended by section 10 of this 2009 Act, is amended to read:

27 530.110. (1) All revenues derived from lands acquired without cost to the state, or acquired from  
 28 counties pursuant to ORS 530.030, shall be paid into the State Treasury and credited to the State  
 29 Forestry Department Account and shall be used in accordance with the following distribution:

30 (a) Fifteen percent shall be credited to the State Forests Protection Subaccount of the State  
 31 Forestry Department Account until the amount in such subaccount reaches \$475,000. Thereafter, the  
 32 revenues shall be disposed of as stated in paragraphs (b) and (c) of this subsection, unless needed  
 33 to maintain the \$475,000 level. All moneys in the State Forests Protection Subaccount are contin-  
 34 uously appropriated to the State Forester who may use such money under the following priorities:

35 (A) First, in addition to or in lieu of other moneys available, to pay the cost of protection, as  
 36 determined under ORS 477.270, for lands acquired under ORS 530.010 to 530.040.

37 (B) Second, to provide moneys needed for activities authorized by subsection (3) of this section.

38 (C) From remaining moneys, to pay costs incurred in the suppression of fire originating on or  
 39 spreading from an operation area, as defined in ORS 477.001, on state-owned forestland acquired  
 40 under ORS 530.010 to 530.040. The State Forester shall make payments with approval of the State  
 41 Board of Forestry for such fire suppression costs, except that no payments shall be made for such  
 42 costs or portion thereof when other parties are responsible under law or contracts for the payment  
 43 of such costs.

44 (b) Seventy-five percent of all such revenues remaining after the percentage disposed of as  
 45 stated in paragraph (a) of this subsection, shall be disposed of as provided in ORS 530.115.

1 (c) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated  
2 in paragraph (a) of this subsection, shall be used for the purposes set out in subsection (3) of this  
3 section.

4 (2) Except as provided in section 4 of this 2009 Act and ORS 530.280, all revenues from lands  
5 other than lands designated in subsection (1) of this section, acquired under ORS 530.010 to 530.040,  
6 shall be paid into the State Treasury and credited to the State Forestry Department Account and  
7 shall be used in accordance with the following distribution:

8 (a) Until each legal subdivision of the lands has been credited with an amount equal to the  
9 purchase price thereof, the revenues shall reimburse the State Forestry Department Account. If  
10 sufficient revenue to reimburse the State Forestry Department Account is not generated from the  
11 purchased parcels within five years from the date of acquisition, the State Forester, with the consent  
12 of the affected county, shall deduct all or portions of the unreimbursed purchase costs from the re-  
13 venue distributed to that county in accordance with ORS 530.115 (1). After the State Forestry De-  
14 partment Account has been reimbursed for the purchase price of the lands, the revenue from the  
15 lands shall be distributed according to the formula specified in paragraphs (b), (c) and (d) of this  
16 subsection.

17 (b) The percentage required under subsection (1)(a) of this section shall be credited to the State  
18 Forests Protection Subaccount, and the revenues shall be disposed of as stated in paragraphs (c) and  
19 (d) of this subsection.

20 (c) Seventy-five percent of all such revenues remaining after paragraphs (a) and (b) of this sub-  
21 section have been complied with, shall be disposed of as provided in ORS 530.115.

22 (d) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated  
23 in paragraphs (a) and (b) of this subsection, shall be used for the purposes set out in subsection (3)  
24 of this section.

25 (3) Unless otherwise consented to in advance and in writing by the counties from which the  
26 state has acquired lands without cost to the state or pursuant to ORS 530.130, the moneys in the  
27 State Forestry Department Account derived from those percentages of revenues set out in sub-  
28 sections (1)(c) and (2)(d) of this section shall be used exclusively for the following purposes and in  
29 the following order:

30 (a) First, for the payment of bond related costs for bonds issued under ORS 530.140 **prior to the**  
31 **effective date of this 2009 Act.**

32 (b) Second, to the Forest Acquisition County Reimbursement Fund to the extent necessary for  
33 paying tax revenue reimbursements to counties under section 8 of this 2009 Act.

34 (c) Third, for such other purposes as are necessary in carrying out ORS 530.010 to 530.110.

35 **SECTION 12. The amendments to ORS 530.110 by section 11 of this 2009 Act become op-**  
36 **erative July 1, 2013.**

37 **SECTION 13.** ORS 530.130 is amended to read:

38 530.130. (1) In compliance with the applicable provisions of ORS chapter 286A, the State Board  
39 of Forestry may request the State Treasurer to issue the revenue bonds described in ORS 530.140  
40 **to acquire any lands as provided in ORS 530.010 and to sell revenue bonds under ORS 530.140**  
41 **in the manner the State Treasurer deems advisable. The net proceeds derived from the sale**  
42 **of the revenue bonds, after the payment of bond-related costs, shall be paid into the State**  
43 **Treasury and credited to the State Forestry Department Account to be used exclusively for**  
44 **the purpose of acquiring lands as provided by ORS 530.010 and section 2 of this 2009 Act. The**  
45 **State Forestry Department may establish one or more subaccounts, as it determines are**

1 **desirable for administration of the net proceeds, in the State Forestry Department Account.**  
 2 *[in exchange for lands selected by it in accordance with ORS 530.010 and to sell such bonds in such*  
 3 *manner as the State Treasurer deems advisable. Should the bonds be sold, the proceeds shall be paid*  
 4 *into the State Treasury and credited to the State Forestry Department Account and shall be expended*  
 5 *only by warrant of the Oregon Department of Administrative Services in the payment of vouchers*  
 6 *bearing the approval of the board in the purchase of lands, as provided in ORS 530.010.]*

7 *[(2) Lands proposed to be taken in exchange for bonds shall first be appraised by the board and*  
 8 *the appraisal approved by the Department of State Lands.]*

9 **(2) Subject to any management plan adopted under ORS 526.905 for the lands, the board**  
 10 **may make covenants related to the operation, use and sale of, or revenues derived from,**  
 11 **lands acquired with proceeds of the revenue bonds that the board determines after consul-**  
 12 **tation with the State Treasurer to be necessary or desirable for repayment of the bonds.**

13 **(3) Any lands proposed to be acquired under subsection (1) of this section shall be ap-**  
 14 **praised by the State Board of Forestry and the appraisal shall be approved by the Depart-**  
 15 **ment of State Lands prior to the acquisition of the lands.**

16 **SECTION 14.** ORS 530.230 is amended to read:

17 530.230. In order to provide funds for the purposes specified in Article XI-E of the Oregon Con-  
 18 stitution, the State Board of Forestry may request the State Treasurer to issue bonds in accordance  
 19 with the provisions of ORS chapter 286A[, *but the annual issue shall not exceed \$750,000*].

20 **SECTION 15.** ORS 530.240 is amended to read:

21 530.240. The [*moneys*] **net proceeds, after payment of bond-related costs,** arising from the  
 22 sale of each issue of bonds **under ORS 530.210 to 530.280** shall be paid into the State Treasury and  
 23 credited to the State Forestry Department Account and shall be used exclusively for the rehabili-  
 24 tation, reforestation, management and development of state-owned forestlands and the acquisition  
 25 of lands for said purposes. Moneys acquired under ORS 530.230 shall be in addition to and not in  
 26 lieu of moneys regularly appropriated or otherwise made available to the State Board of Forestry  
 27 for the administration, management and protection of state forestlands. **The State Forestry De-**  
 28 **partment may establish one or more subaccounts, as the department determines are desir-**  
 29 **able for administration of the net proceeds arising from the sale of each issue of bonds, in**  
 30 **the State Forestry Department Account.**

31 **SECTION 16.** ORS 530.280 is amended to read:

32 530.280. (1) [*There hereby is created a sinking fund account to provide for the payment of the*  
 33 *principal and interest of all bonds issued pursuant to the provisions of ORS 530.210 to 530.280]* **The**  
 34 **State Forestry General Obligation Bond Fund is established separate and distinct from the**  
 35 **General Fund. Interest earned by the State Forestry General Obligation Bond Fund shall be**  
 36 **credited to the fund. Moneys in the fund may be invested as provided in ORS 286A.025 and**  
 37 **293.701 to 293.820. All moneys in the State Forestry General Obligation Bond Fund are con-**  
 38 **tinuously appropriated to the State Forestry Department for the purposes of paying bond-**  
 39 **related costs when due on the general obligation bonds issued under Article XI-E of the**  
 40 **Oregon Constitution. However, an agreement for exchange of interest rates may not be paid**  
 41 **from moneys derived under paragraph (a) of this subsection or from General Fund moneys**  
 42 **appropriated under paragraph (d) of this subsection to fulfill a pledge of the full faith and**  
 43 **credit of the state set forth in Article XI-E of the Oregon Constitution. The State Forestry**  
 44 **General Obligation Bond Fund shall consist of the following:**

45 (a) All moneys derived from taxes levied under ORS 291.445;

1 (b) All moneys derived from the sale, exchange or use of land acquired pursuant to ORS 530.240;  
2 *[and]*

3 (c) Except as provided in ORS 530.115, all moneys received from the disposal of forest products  
4 created through expenditures of moneys available under *[the Oregon Forest Rehabilitation Act]* **ORS**  
5 **530.210 to 530.280** for reforestation~~[.]~~; **and**

6 **(d) Any moneys that may be appropriated to the fund by the Legislative Assembly.**

7 (2) The moneys referred to in subsection (1)(b) **and (c)** of this section shall be set aside for  
8 *[sinking fund purposes until the issues of bonds which provided funds for such reforestation have been*  
9 *retired. The State Forester shall designate and keep records of the area of land on which the funds*  
10 *from particular issues of bonds have been expended for such reforestation.]* **State Forestry General**  
11 **Obligation Bond Fund purposes until there are no longer any bonds issued under ORS 530.210**  
12 **to 530.280 outstanding. If no bonds issued under ORS 530.210 to 530.280 are outstanding, the**  
13 **moneys described in subsection (1)(b) and (c) of this section shall be disposed of using the**  
14 **distribution formula described in ORS 530.115 (1)(a) to (c).**

15 *[(3) Disbursement from the sinking fund shall be made, for the purposes stated, upon the sub-*  
16 *mission of duly verified claims, approved by the State Board of Forestry, to the Secretary of State, who*  
17 *shall audit the same in the manner that other claims against the state are audited. The Oregon De-*  
18 *partment of Administrative Services thereupon shall draw a warrant on the State Treasurer against*  
19 *the fund. The money in the sinking fund may be invested as provided in ORS 293.701 to 293.820.]*

20 **SECTION 17.** ORS 293.701 is amended to read:

21 293.701. As used in ORS 293.701 to 293.820, unless the context requires otherwise:

22 (1) "Council" means the Oregon Investment Council.

23 (2) "Investment funds" means:

24 (a) Public Employees Retirement Fund referred to in ORS 238.660;

25 (b) Industrial Accident Fund referred to in ORS 656.632;

26 (c) Consumer and Business Services Fund referred to in ORS 705.145;

27 (d) Employment Department Special Administrative Fund referred to in ORS 657.822;

28 (e) Insurance Fund referred to in ORS 278.425;

29 (f) Funds under the control and administration of the Department of State Lands;

30 (g) Oregon Student Assistance Fund referred to in ORS 348.570;

31 (h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.540 or  
32 rules adopted thereunder;

33 *[(i) Forest rehabilitation bonds sinking fund referred to in ORS 530.280;]*

34 **(i) Forest Development Revenue Bond Fund referred to in section 4 of this 2009 Act and**  
35 **State Forestry General Obligation Bond Fund referred to in ORS 530.280;**

36 (j) Oregon War Veterans' Fund referred to in ORS 407.495;

37 (k) Oregon War Veterans' Bond Sinking Account referred to in ORS 407.515;

38 (L) World War II Veterans' Compensation Fund;

39 (m) World War II Veterans' Bond Sinking Fund;

40 (n) Savings and loan association funds in the hands of the Director of the Department of Con-  
41 sumer and Business Services;

42 (o) Funds in the hands of the State Treasurer that are not required to meet current demands;

43 (p) State funds that are not subject to the control and administration of officers or bodies spe-  
44 cifically designated by law;

45 (q) Funds derived from the sale of state bonds;



1 (r) Social Security Revolving Account referred to in ORS 237.490;

2 (s) Investment funds of the State Board of Higher Education lawfully available for investment  
3 or reinvestment;

4 (t) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;

5 (u) Elderly and Disabled Special Transportation Fund established by ORS 391.800;

6 (v) Education Stability Fund established by ORS 348.696;

7 (w) Deferred Compensation Fund established under ORS 243.411; and

8 (x) Trust for Cultural Development Account established under ORS 359.405.

9 (3) "Investment officer" means the State Treasurer in the capacity as investment officer for the  
10 council.

11 **SECTION 18.** ORS 526.060 is amended to read:

12 526.060. (1) *[Excepting the sinking fund moneys designated in ORS 530.280 and reimbursements*  
13 *for the revolving account under ORS 526.121]* **Except as provided in section 4 of this 2009 Act and**  
14 **ORS 526.121 and 530.280**, all assessments, federal apportionments or contributions, and other mon-  
15 eys received by the forester or State Board of Forestry, shall be paid into the State Treasury and  
16 credited to the State Forestry Department Account, which is established separate and distinct from  
17 the General Fund. All moneys in the State Forestry Department Account are *[appropriated]* contin-  
18 uously **appropriated**, and shall be used by the forester, under the supervision and direction of the  
19 board, for the purposes authorized by law.

20 (2) The forester shall keep a record of all moneys deposited in the State Forestry Department  
21 Account. The record shall indicate by separate cumulative accounts the source from which the  
22 moneys are derived and the individual activity or program against which each withdrawal is  
23 charged. All moneys in the account received pursuant to ORS 527.610 to 527.770 and 527.992 shall  
24 be used only for carrying out the duties, functions and powers of the State Forestry Department in  
25 administering ORS 527.610 to 527.770 and 527.992.

26 (3) The Urban and Community Forestry Subaccount is established as a subaccount of the State  
27 Forestry Department Account. Moneys in the Urban and Community Forestry Subaccount are *[ap-*  
28 *propriated]* continuously **appropriated** to the State Forestry Department to be used for urban and  
29 community forest activities described in ORS 469.634 and 469.652.

30 (4) The State Forest Enhancement Donation Subaccount is established as a subaccount to the  
31 State Forestry Department Account. Moneys in the State Forest Enhancement Donation Subaccount  
32 are continuously appropriated to the State Forestry Department to be used for the purposes de-  
33 scribed in ORS 526.065.

34 (5) The State Forest Nursery Subaccount is established as a subaccount to the State Forestry  
35 Department Account. Moneys in the State Forest Nursery Subaccount are continuously appropriated  
36 to the State Forestry Department to be used for the purposes described in ORS 526.235.

37 (6) The State Forest Tree Seed Bank Subaccount is established as a subaccount to the State  
38 Forestry Department Account. Moneys in the State Forest Tree Seed Bank Subaccount are contin-  
39 uously appropriated to the State Forestry Department to be used for the purposes described in ORS  
40 526.470.

41 (7) The State Forest Tree Seed Orchard Subaccount is established as a subaccount to the State  
42 Forestry Department Account. Moneys in the State Forest Tree Seed Orchard Subaccount are con-  
43 tinuously appropriated to the State Forestry Department to be used for the purposes described in  
44 ORS 526.472.

45 (8) Notwithstanding ORS 291.238, the moneys credited to the subaccounts established under

1 subsections (5), (6) and (7) of this section shall be continuously available on a revolving basis.

2 **SECTION 19. ORS 530.150 and 530.160 are repealed.**

3 **SECTION 20. (1) The amendments to ORS 530.280 by section 16 of this 2009 Act are in-**  
4 **tended to rename the “sinking fund account” described in ORS 530.280 to be the “State**  
5 **Forestry General Obligation Bond Fund.” The State Forestry General Obligation Bond Fund**  
6 **is for all purposes a continuation of the sinking fund account and not a new fund.**

7 **(2) Any reference in Oregon Revised Statutes to the “sinking fund account” in ORS**  
8 **530.280 shall be considered a reference to the “State Forestry General Obligation Bond**  
9 **Fund.”**

10 **(3) For the purpose of harmonizing and clarifying statute sections published in Oregon**  
11 **Revised Statutes, the Legislative Counsel may substitute for words designating the “sinking**  
12 **fund account” under ORS 530.280, wherever they occur in Oregon Revised Statutes, other**  
13 **words designating the “State Forestry General Obligation Bond Fund.”**

14 **SECTION 21. This 2009 Act being necessary for the immediate preservation of the public**  
15 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**  
16 **on its passage.**

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