
MEMORANDUM

Legislative Fiscal Office
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To: *Natural Resources Subcommittee*

From: *Krista McDowell*, Legislative Fiscal Office
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Date: June 12, 2013

Subject: *SB 737-A7*
Work Session Recommendations

SB 737 – A7 relates to ocean resources. The measure has an emergency clause and is effective on passage.

The measure, the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

The measure previously had a public hearing and work session in the Rural Communities and Economic Development Subcommittee and was recommended as do pass with amendments to be referred to Ways and Means by prior reference.

The measure, as amended, has a minimal fiscal impact.

Amendment

There is an A7 amendment to the measure that provides for the Department of State Lands to make available a facility and administrative support for the trust meetings.

Motion: Move the A7 amendment to SB 737.

Measure as Modified

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

Motion: Move SB 737 – A7 to the full committee with a “do pass” recommendation, as amended.

Assignment of Carriers

Full: _____
2nd Chamber: _____

SB 737-A7
(LC 3668)
4/25/13 (DLT/mam/ps)

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 737**

1 On page 2 of the printed A-engrossed bill, line 10, after “provide” delete
2 the rest of the line and insert “a facility and administrative support for the
3 meetings of the trust as requested.”.

4 In line 11, delete “personnel as needed to serve the trust.”.

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FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 737 - A7

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Krista McDowell
Reviewed by: Linda Gilbert
Date: 6/10/2013

Measure Description:

Establishes Oregon Ocean Science Trust and specifies duties of trust.

Government Unit(s) Affected:

Counties, Department of State Lands

Summary of Expenditure Impact:

See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The bill establishes the Oregon Ocean Science Trust and members to be appointed by the State Land Board. Members of the trust are not entitled to compensation or reimbursement for expenses. Duties of the trust include the promotion of scientific ocean and costal research, in addition to the establishment of a competitive grant program to fund research and monitoring related to Oregon's ocean and coast. The bill establishes the Oregon Ocean Science Fund, separate and distinct from the General Fund. Interest in the fund shall be credited to the fund, and monies are continuously appropriated to the trust. DSL is required to provide a facility and administrative support for the meetings of the trust as requested.

Provisions in the bill permit the newly established fund to accept revenues from grants, donations, contributions, gifts, monies appropriated by the Legislative Assembly, and monies from the states distributive share from the Outer Continental Shelf Lands Act. Legislative Fiscal Office (LFO) notes that there is no history of any revenues being generated from the Outer Continental Shelf Lands Act.

Costs to the State Treasurer, DSL and other state agencies associated with this bill are assumed to be minimal and are therefore absorbable within the agencies budget. The bill does provide that moneys deposited in the fund may be used, in excess of up to five percent to the total amount of money, to reimburse agencies for administration costs associated with the trust and fund. However, due to the lack of historical funding from the Outer Continental Shelf Lands Act, it is unlikely that any reimbursement will occur.

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue: Revenue Impact Statement Not Issued

Fiscal: Minimal Fiscal Impact Statement Issued

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Krista McDowell, Legislative Fiscal Office

Meeting Date:

WHAT THE MEASURE DOES: Establishes Oregon Ocean Science Trust (Trust) to promote ocean and coastal resource research and monitoring, and, subject to funding availability, establish competitive grant program. Directs State Land Board to appoint members to Trust and defines eligibility requirements. Specifies Trust operating procedures, including that members serve as volunteers without compensation or reimbursement. Directs Department of State Lands and other agencies as necessary to provide personnel support to Trust. Creates Oregon Ocean Science Fund (Fund) consisting of donations, legislatively appropriated moneys, interest, and moneys received from federal government under Outer Continental Shelf Lands Act (OCSLA). Appropriates Fund money to Trust. Distributes 30 percent of moneys received under OCSLA to coastal counties adjacent to lands for which state distributive share is received. Authorizes reimbursement to State Treasurer, Department of State Lands, and other agencies for costs, not to exceed five percent of total moneys deposited in Fund per biennium. Requires report on Trust progress to Legislative Assembly by March 31 of even-numbered years.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENT: The A7 amendment eliminates the requirement for the Department of State Lands (DSL) to provide clerical, technical and management personnel to serve the trust and instead requires that DSL provide the trust a facility and administrative support for meetings of the trust, as requested.

BACKGROUND: Under OCSLA, the U.S. Secretary of the Interior administers mineral exploration and development of submerged lands 3 to 200 miles from the shore and distributes a share of receipts from leases to adjacent states. In 1985, OCSLA was amended to share revenues from oil and natural gas generated between three to six miles offshore, with states receiving 27 percent of the revenues. In 2005, Congress added marine renewable energy to the revenues shared with the states under OCSLA.

In 2009, House Bill 3106 created the Oregon Task Force on Nearshore Research (Task Force) to recommend long-term funding and coordination strategies for implementing the nearshore priorities of the state including research and monitoring; management and policy formation; and education and outreach. The Task Force recommended creating a trust to provide a funding mechanism to support the implementation of the Nearshore Strategic Plan and identified research and monitoring needs.