

# Enrolled House Bill 2031

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Department of State Lands)

CHAPTER .....

AN ACT

Relating to natural resource rights in real property; creating new provisions; amending ORS 273.780 and 273.787; and declaring an emergency.

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

**SECTION 1.** ORS 273.780 is amended to read:

273.780. (1) Mineral and geothermal resource rights in **real** property owned by any state agency and mineral and geothermal resource rights retained as an interest in lands previously sold, granted or otherwise conveyed by the state or any agency thereof are property of the State of Oregon. Except as provided in ORS 273.785 **and 273.787**, proceeds therefrom shall accrue to the Common School Fund, and the State Land Board is declared to be the state agency acting for the state in any transaction respecting such mineral and geothermal resource rights.

(2) In addition to applicable requirements of ORS chapter 522, such mineral and geothermal resource rights shall be subject to exploration permit or lease by the Department of State Lands, in accordance with rules and conditions established by law or adopted by the department.

(3) **Except as provided in ORS 273.787**, the mineral and geothermal resource rights shall be retained by the state in the absence of a finding by the State Land Board upon adequate facts presented to it that their sale or exchange is for the purpose of obtaining the greatest benefit for the people of this state, consistent with the conservation of lands under its jurisdiction under sound techniques of land management.

*[(4) Notwithstanding subsection (3) of this section, when the Department of State Lands offers real property for sale, the department may not retain the rights to mineral or geothermal resources if:]*

*[(a) On January 1, 2004, the real property was located:]*

*[(A) Inside an urban growth boundary; or]*

*[(B) Within an area zoned for residential use on a lot or parcel that is three acres or smaller in size; and]*

*[(b) The value, if any, of the rights to the mineral or geothermal resources is included in the total sale price of the real property.]*

**SECTION 2.** ORS 273.787 is amended to read:

273.787. (1) As used in this section:

*[(a) "Owner" means:]*

*[(A) The record holder of fee title interest in residential real property; or]*

*[(B) The contract purchaser of residential real property.]*

*[(b)] (a) ["Residential"] "Low-potential resource real property" means real property that is [sold by the Department of State Lands for the State Land Board and is] located:*

- (A) Inside an urban growth boundary; or
- (B) Within an area zoned for residential use on a lot or parcel that is three acres or smaller in size.

*[(2) An owner may apply to the department for release and transfer of the rights to mineral or geothermal resources reserved by the State of Oregon.]*

*[(3) Upon application by the owner, the department shall release and transfer to the owner the reserved rights to mineral and geothermal resources within 30 days after the first board meeting that is at least 60 days after the department received the completed application for release and transfer of the rights, unless the board finds that a significant mineral or geothermal resource exists. If the board finds that a significant mineral or geothermal resource exists, the owner may:]*

*[(a) Offer to purchase the resource for the value of the resource; or]*

*[(b) Withdraw the application.]*

*[(4) If the board finds that a significant mineral or geothermal resource exists under subsection (3) of this section and the owner offers to purchase the resource for the value of the resource:]*

*[(a) The board shall determine the value of the resource on the basis of an appraisal conducted by a state certified appraiser certified under ORS 674.310 or by a geologist who is registered under ORS 672.505 to 672.705 and qualified to assess the value of mineral and geothermal deposits.]*

**(b) "Owner" means:**

**(A) The record holder of fee title interest in low-potential resource real property; or**

**(B) The contract purchaser of low-potential resource real property.**

**(2) The Department of State Lands is declared to be the state agency acting for the state in any transaction respecting mineral and geothermal resource rights in low-potential resource real property.**

**(3) The department may not reserve mineral and geothermal resource rights in low-potential resource real property sold or exchanged by the state, unless the department determines that a significant mineral or geothermal resource exists in the low-potential resource real property.**

**(4)(a) An owner may apply at any time to the department for the release and transfer of mineral and geothermal resource rights in low-potential resource real property that were reserved by the state before the effective date of this 2013 Act.**

**(b) Upon application by the owner under this subsection, the department shall release and transfer to the owner the reserved rights to mineral and geothermal resources in low-potential resource real property within 60 days after the department receives the completed application, unless the department determines that a significant mineral or geothermal resource exists in the low-potential resource real property.**

*[(b)] (5) The [board] department may not:*

*[(A)] (a) Require an owner to obtain an appraisal under this section; or*

*[(B)] (b) Require an owner to pay the cost of an appraisal conducted at the request of the [board] department under this section.*

*[(5)] (6) The department may charge a reasonable fee, not to exceed \$150, to process an application under this section.*

*[(6)] (7) The department may adopt rules to implement this section.*

**SECTION 3. Except as provided in ORS 273.787 (4) as amended by section 2 of this 2013 Act, the amendments to ORS 273.780 and 273.787 by sections 1 and 2 of the 2013 Act apply to low-potential resource real property sold or exchanged by the state on or after the effective date of this 2013 Act.**

**SECTION 4. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.**

**Passed by House February 22, 2013**

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate May 22, 2013**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M,....., 2013

**Approved:**

.....M,....., 2013

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2013

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Kate Brown, Secretary of State