

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)

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 **as introduced**.

Designates Department of State Lands as state agency that acts for state in transactions concerning mineral and geothermal resource rights in low-potential resource real property. Specifies when department may retain such natural resource rights. Specifies when department shall release and transfer such natural resource rights to owners of low-potential resource real property.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to natural resource rights in real property; creating new provisions; amending ORS 273.780
3 and 273.787; and declaring an emergency.

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

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

6 273.780. (1) Mineral and geothermal resource rights in **real** property owned by any state agency
7 and mineral and geothermal resource rights retained as an interest in lands previously sold, granted
8 or otherwise conveyed by the state or any agency thereof are property of the State of Oregon. Ex-
9 cept as provided in ORS 273.785 **and 273.787**, proceeds therefrom shall accrue to the Common School
10 Fund, and the State Land Board is declared to be the state agency acting for the state in any
11 transaction respecting such mineral and geothermal resource rights.

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

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

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

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

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

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

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

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

29 273.787. (1) As used in this section:

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 [(a) “Owner” means:]
2 [(A) The record holder of fee title interest in residential real property; or]
3 [(B) The contract purchaser of residential real property.]
4 [(b)] (a) [“Residential] **“Low-potential resource** real property” means real property that is [sold
5 by the Department of State Lands for the State Land Board and is] located:
6 (A) Inside an urban growth boundary; or
7 (B) Within an area zoned for residential use on a lot or parcel that is three acres or smaller in
8 size.
9 [(2) An owner may apply to the department for release and transfer of the rights to mineral or
10 geothermal resources reserved by the State of Oregon.]
11 [(3) Upon application by the owner, the department shall release and transfer to the owner the re-
12 served rights to mineral and geothermal resources within 30 days after the first board meeting that is
13 at least 60 days after the department received the completed application for release and transfer of the
14 rights, unless the board finds that a significant mineral or geothermal resource exists. If the board
15 finds that a significant mineral or geothermal resource exists, the owner may:]
16 [(a) Offer to purchase the resource for the value of the resource; or]
17 [(b) Withdraw the application.]
18 [(4) If the board finds that a significant mineral or geothermal resource exists under subsection (3)
19 of this section and the owner offers to purchase the resource for the value of the resource:]
20 [(a) The board shall determine the value of the resource on the basis of an appraisal conducted by
21 a state certified appraiser certified under ORS 674.310 or by a geologist who is registered under ORS
22 672.505 to 672.705 and qualified to assess the value of mineral and geothermal deposits.]
23 **(b) “Owner” means:**
24 **(A) The record holder of fee title interest in low-potential resource real property; or**
25 **(B) The contract purchaser of low-potential resource real property.**
26 **(2) The Department of State Lands is declared to be the state agency acting for the state**
27 **in any transaction respecting mineral and geothermal resource rights in low-potential re-**
28 **source real property.**
29 **(3) The department may not reserve mineral and geothermal resource rights in low-**
30 **potential resource real property sold or exchanged by the state, unless the department de-**
31 **termines that a significant mineral or geothermal resource exists in the low-potential**
32 **resource real property.**
33 **(4)(a) An owner may apply at any time to the department for the release and transfer**
34 **of mineral and geothermal resource rights in low-potential resource real property that were**
35 **reserved by the state before the effective date of this 2013 Act.**
36 **(b) Upon application by the owner under this subsection, the department shall release**
37 **and transfer to the owner the reserved rights to mineral and geothermal resources in low-**
38 **potential resource real property within 60 days after the department receives the completed**
39 **application, unless the department determines that a significant mineral or geothermal re-**
40 **source exists in the low-potential resource real property.**
41 [(b)] (5) The [board] **department** may not:
42 [(A)] (a) Require an owner to obtain an appraisal under this section; or
43 [(B)] (b) Require an owner to pay the cost of an appraisal conducted at the request of the
44 [board] **department** under this section.
45 [(5)] (6) The department may charge a reasonable fee, not to exceed \$150, to process an appli-

1 cation under this section.

2 [(6)] (7) The department may adopt rules to implement this section.

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

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

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