

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

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| Action: | Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by Prior Reference |
| Vote: | 8 - 2 - 0 |
| Yeas: | Bentz, Cameron, Doherty, Gorsek, Lively, McKeown, Nathanson, Read |
| Nays: | Davis, Parrish |
| Exc.: | 0 |
| Prepared By: | Patrick Brennan, Administrator |
| Meeting Dates: | 2/5, 2/10 |

WHAT THE MEASURE DOES: Creates Task Force on Statutory Common School Fund Loans to identify opportunities for making loans from Common School Fund for financing projects that provide significant in-state economic benefits. Outlines membership of Task Force. Designates staffing of Task Force by Legislative Administrator. Requires report to Legislative Assembly by September 15, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Prevalence of brownfield sites throughout Oregon
- Effect of proposed amendment
- Consideration of investments with “significant in-state economic benefits”
- Importance of fiduciary duty when making investments from Common School Fund

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: The admission of Oregon as a state in 1859 included a provision designating roughly six percent of the state’s acreage for support of schools. Today, roughly 700,000 acres remain in state ownership for that purpose. These lands, and their mineral, timber and other resources, are managed by the State Land Board; rangeland is leased to ranchers for animal grazing, forestland is managed for timber production and waterways are leased for various uses. Moneys thus generated accrue to the Common School Fund. In addition to these sources, the Fund receives moneys from property reverting to the state upon the owner’s death, unclaimed property, gifts to the state with no designated purpose, tax revenues from natural resource production, and from the sale of federal lands.

Moneys within the Common School Fund are invested by the State Treasurer and Oregon Investment Council. Revenue generated from these investments is distributed to K-12 schools throughout Oregon. In 2013, the Fund held a principal of \$1.2 billion, and \$53.1 million was distributed to schools. House Bill 4063-A establishes a Task Force on Statutory Common School Fund Loans to study opportunities for making loans from the Fund to finance projects that provide significant in-state economic benefits, including brownfield redevelopment.