

Enrolled Senate Bill 224

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CHAPTER

AN ACT

Relating to interests that state agencies hold; creating new provisions; amending ORS 270.100 and 273.785; and declaring an emergency.

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

SECTION 1. ORS 270.100 is amended to read:

270.100. (1)(a) Before offering for sale any real property or equitable interest [*therein owned by the state*] **in real property that the state owns**, the state agency acting for the state in [*such*] **the sales** transaction shall report [*its intent of sale or transfer*] to the Oregon Department of Administrative Services **that the state agency intends to sell or transfer the real property or the equitable interest**. The department, or [*the*] **an agency the department** specifically [*designated by the department*] **designates**, shall notify other state agencies authorized to own real property of the intended sale or transfer to determine whether [*acquisition of*] **acquiring** the real property or interest [*therein*] **in the real property** would be advantageous to another state agency.

(b) The department shall give political subdivisions, as defined in ORS 271.005, the first opportunity after other state agencies to acquire, purchase, exchange or lease real property **or an interest in real property** [*to be sold or disposed of by*] **that** the State of Oregon **disposes of or sells**. The state agency responsible for selling or transferring the property **or the equitable interest** may require at the time of the sale or transfer that [*any state real property sold or transferred to*] a political subdivision[, *as defined in ORS 271.005, shall be for use*] **must use state real property or an equitable interest in real property sold or transferred to the political subdivision** for a public purpose or benefit, and [*not be for resale*] **that the political subdivision may not resell the real property or the equitable interest** to a private purchaser.

(c) If a state agency that intends to sell or transfer real property or an equitable interest **in real property has not disposed of the real property or the equitable interest** [*is not disposed of*] under paragraph (a) or (b) of this subsection, [*in accordance with rules adopted by the department,*] the state agency [*desiring to sell or transfer the property*] shall cause [*it*] **the real property** to be appraised by one or more competent and experienced appraisers **in accordance with rules the department adopts**. Except as provided in ORS 273.825, if [*such*] **the property** has an appraised value exceeding \$5,000, [*it shall*] **the property or an equitable interest in the property** may not be sold to any private person except after notice calling for such proposals as set forth in ORS 270.130.

(d) The department shall adopt rules to carry out the provisions of this section.

(2) Before [acquisition of] a state agency acquires any real property or interest [therein by any state agency] **in real property**, except for highway right of way [acquired by] **that** the Department of Transportation **acquires**, [and] park properties [acquired by] **that** the State Parks and Recreation Department **acquires** and property within the approved projected campus boundaries for public universities of the Oregon University System or public universities with governing boards listed in ORS 352.054, the state agency shall report [its intent of acquisition] to the Oregon Department of Administrative Services **that the state agency intends to acquire the real property or the interest in real property**. The department shall notify other state agencies [owning land of the intended acquisition] **that own land that the state agency intends to acquire real property or an interest in real property** to determine whether another state agency desires to sell or transfer property [which] **that** would meet the needs of the [purchasing] **acquiring** agency. In accordance with rules [adopted by] the Oregon Department of Administrative Services **adopts**, if no other state agency desires to sell or transfer property [which] **that** would meet the needs of the agency **that intends to acquire real property or an interest in real property**, the agency may acquire the real property or interest [therein] **in real property**, consistent with applicable provisions of law.

(3) Before any terminal disposition of real property or an interest in real property, the state agency acting for the state in the transaction must secure approval of the transaction from the Oregon Department of Administrative Services.

(4) Subsection (3) of this section does not apply to terminal disposition of the following real property:

- (a) Property [controlled by] **that** the State Department of Fish and Wildlife **controls**;
- (b) State forestlands [controlled by] **that** the State Forestry Department **controls**;
- (c) Property [controlled by] **that** the Department of Transportation **controls**;
- (d) Property [controlled by] **that** the Department of State Lands **controls**;
- (e) Property [controlled by] **that** the Oregon University System **controls** or [controlled by] **that** public universities with governing boards listed in ORS 352.054 **control**;
- (f) **Property that the legislative branch of state government controls**;
- [(f)] (g) Property [controlled by the legislative or judicial branches] **that the judicial branch of state government controls**; and
- [(g)] (h) Property [controlled by] **that** the State Parks and Recreation Department **controls**.

(5) Notwithstanding the provisions of subsection (4) of this section, prior approval by the Oregon Department of Administrative Services is required for the terminal disposition of public land for less than the fair market value of [that] **the public land**.

(6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to 273.436, 273.551 and 308A.709 (1) to (4) do not apply to:

- (a) A home or farm [acquired or sold by] **that** the Department of Veterans' Affairs **acquires or sells** under ORS 88.720, 406.050, 407.135, 407.145, 407.375 [and] **or** 407.377.
- (b) Real property [acquired or sold by] **that** the Housing and Community Services Department **acquires or sells** under the provisions of ORS 456.515 to 456.725 or ORS chapter 458.
- (c) **Real property that the Oregon Health Authority or the Department of Human Services acquires or sells under ORS 410.075 or 416.340.**

SECTION 2. ORS 273.785 is amended to read:

273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

(1) Soil, clay, stone, sand and gravel [acquired or used by] **that** state agencies **acquire or use** for the purpose of constructing or repairing roads or other state facilities, or the proceeds from [those materials] **soil, clay, stone, sand or gravel**.

(2) Mineral or geothermal resource rights or **the** proceeds from [those rights acquired by] **mineral or geothermal resource rights that** the State Fish and Wildlife Commission [pursuant to] **acquires in** an agreement with the federal government under 16 U.S.C. 669 to 669i (P.L. 75-415).

(3) Mineral or geothermal resource rights or **the** proceeds from [those] **mineral or geothermal resource** rights if [other disposition is required by] federal rules or regulations or any agreement [entered into at the time of acquisition of] **that the state enters into at the time the state ac-**

quires the mineral or geothermal resource rights requires another disposition *[the mineral or geothermal resource rights by the state]*.

(4) Proceeds of mineral and geothermal resource rights *[acquired by]* **that** the state **acquires** pursuant to ORS 530.010 and 530.030, other than *[those]* **mineral and geothermal resource rights** distributed under ORS 530.110 (1)(c).

(5) Mineral or geothermal resource rights or **the** proceeds from *[those]* **mineral or geothermal resource** rights *[acquired after January 1, 1974, for the state by]* **that** the Department of Veterans' Affairs *[pursuant to]* **acquires for the state after January 1, 1974 under** ORS 88.720, 406.050 (2), 407.135 or 407.145. After consultation, the Department of State Lands and the Department of Veterans' Affairs shall enter into an interagency agreement governing consultation between *[them]* **the departments** concerning mineral and geothermal resource values on properties **the Department of Veterans' Affairs acquires** *[acquired]* for the state *[by the Department of Veterans' Affairs]*. The Department of Veterans' Affairs shall adopt rules relating to the release of mineral and geothermal rights on *[such]* **the acquired** properties.

(6) Mineral or geothermal resource rights or **the** proceeds from *[those]* **mineral or geothermal resource** rights *[given by]* **that** a donor **gives** to any public university or office, department or activity under the control of the State Board of Higher Education that *[are acquired or held]* **the board acquires or holds** for the state *[by the State Board of Higher Education pursuant to]* **under** ORS chapters 351 and 567. In managing mineral or geothermal resource leases, the State Board of Higher Education shall consult with the Department of State Lands in accordance with an interagency agreement *[established by]* **that** the department and the *[State Board of Higher Education governing]* **board establish to govern** consultation between the department and the *[State Board of Higher Education and governing]* **board and to govern** management of the mineral or geothermal resources.

(7) Mineral or geothermal resource rights or proceeds from *[those]* **mineral or geothermal resource** rights *[acquired and held by]* **that** the Department of Transportation **acquires and holds**. In managing mineral or geothermal resource leases, the Department of Transportation shall enter into an intergovernmental agreement with the Department of State Lands governing consultation between the departments and governing management of the mineral or geothermal resources.

(8) Mineral or geothermal resource rights or **the** proceeds from *[those]* **mineral or geothermal resource** rights *[acquired and held by]* **that** the Housing and Community Services Department **acquires and holds**.

(9) Mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights that the Oregon Health Authority or the Department of Human Services **acquires and holds**.

SECTION 3. (1) The amendments to ORS 270.100 and 273.785 by sections 1 and 2 of this 2015 Act become operative January 1, 2016.

(2) The Oregon Department of Administrative Services, the Department of State Lands, the Oregon Health Authority and the Department of Human Services may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the department or the authority to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the department or the authority by the amendments to ORS 270.100 and 273.785 by sections 1 and 2 of this 2015 Act.

SECTION 4. (1) The amendments to ORS 270.100 by section 1 of this 2015 Act apply to real property that the Oregon Health Authority or the Department of Human Resources acquires or sells under ORS 410.075 or 416.340 on or after the operative date specified in section 3 (1) of this 2015 Act.

(2) The amendments to ORS 273.785 by section 2 of this 2015 Act apply to mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights that the Oregon Health Authority or the Department of Human Resources acquires and holds on or after the operative date specified in section 3 (1) of this 2015 Act.

SECTION 5. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Passed by Senate April 27, 2015

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House May 29, 2015

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2015

Approved:

.....M,....., 2015

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

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Jeanne P. Atkins, Secretary of State