



Oregon

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State Land Board

**Testimony of
Jim Paul, Director
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Kate Brown
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**on
Senate Bill 847
Senate Committee on Environment and Natural Resources
March 20, 2017**

Dennis Richardson
Secretary of State

Tobias Read
State Treasurer

Chair Dembrow and committee members, thank you for the opportunity to provide testimony today on Senate Bill 847. This bill would establish a Trust Land Transfer Fund, facilitating the transfer of certain school trust lands that have limited performance potential as assets of the Common School Fund to other public bodies better positioned to manage lands for public benefits. The Department does not have a position on the bill.

As owners of 741,000 acres of school trust lands dedicated to school funding, the State Land Board, and the Department of State Lands as their administrative arm, are charged with managing such lands for the primary purpose of generating revenue for K-12 schools. Where it has been determined that these lands are not able to meet this purpose, the Department currently evaluates such lands for potential sale or exchange in order to convert a non-performing asset into a performing asset for schools. Over the course the past decade, the Department has sold or exchanged thousands of acres of school trust lands due to poor financial performance.

Senate Bill 847 would create a process for the transfer of school trust lands to another public agency or federally recognized tribe. The purpose is to provide a distinct statutory structure for the State Land Board to transfer certain non-performing state trust land properties that are no longer prudent investments, while maintaining some form of ongoing public ownership. The State of Washington has had a Trust Land Transfer program since 1987, and they've found it useful for 'buying out' their under-performing state trust lands.

A Trust Land Transfer Fund in Oregon could be a useful tool for potentially changing ownership of school trust lands within the public sector, when they are not able to generate revenue for schools. Senate Bill 847 would also provide a role for the legislative assembly to direct the receipt of any such transferred lands.

Thank you again for the opportunity to provide testimony to the committee today.