

SB 847 A STAFF MEASURE SUMMARY

Carrier: Sen. Frederick

Joint Committee On Ways and Means

Action Date: 06/30/17

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 11 - DeBoer, Devlin, Frederick, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner
Hayward, Thomsen, Winters

Nays: 1 - Girod

House Vote

Yeas: 10 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Smith Warner,
Whisnant, Williamson

Nays: 1 - Stark

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Matt Stayner, Budget Analyst

WHAT THE MEASURE DOES:

Establishes state policy to: (1) identify, as appropriate, trust lands under the jurisdiction of the State Land Board (Board), that due to management or regulatory impediments have limited performance potential as Common School Fund (CSF) assets; and (2) transfer those identified lands to state or federal agencies or tribes better positioned than the Board to manage those public lands to provide public benefits.

Authorizes Board to identify lands with limited performance potential and submit to the Legislative Assembly a proposal to transfer such lands to a state or federal agency or tribe. The Board may specify the public entity to transfer the lands to, or the Legislative Assembly may designate such entity. Authorizes the Board to transfer the lands in a manner consistent with its trust responsibilities if the Legislative Assembly approves a transfer by appropriation of funds or other mechanism. Exempts such transfers from statutory state real property transfer procedures.

Establishes Trust Lands Transfer Fund.

ISSUES DISCUSSED:

- Washington State trust land transfer program
- Importance of establishing a correct value of the land
- Establishment of a public process related to land transfers
- Titan Forestry management contract for the Elliott State Forest

EFFECT OF AMENDMENT:

Clarifies type of property valuation required. Removes sections related to the fund, as the Department has an existing fund within the State Treasury that can be used for the purposes of the bill.

BACKGROUND:

The Oregon Admissions Act (11 Stat. 383, approved February 14, 1859) granted sections 16 and 36 of every township to the state for the use of schools. According to the Department of State Lands, this land grant equaled approximately six percent of the state's land area, or 3.4 million acres. Today, approximately 740,000 acres remain in state ownership. The Oregon Constitution and legislative action dedicate these lands, their resources, and income to the Common School Fund (CSF). The State Land Board (Board) - made up of the Governor, Treasurer and Secretary of State - is the CSF trustee. The state Constitution directs the Board to "manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource

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under sound techniques of land management" (Article VIII, section 5 (2)). The Board distributes a portion of the funds twice each year to the Department of Education, which in turn distributes the funds to school districts.

The state of Washington has operated a state Trust Land Transfer Program since 1989. Under the program, the Washington Department of Natural Resources (DNR) reviews and prioritizes a proposed list of transfer properties with other state agencies and then submits an informational package to the Board of Natural Resources and then the Governor's office for submittal to the Legislature. The Legislature reviews the proposal, identifies a list of properties to transfer, and sets a funding level. Some properties are set for fee ownership transfer, others for a long term lease. The DNR is responsible for carrying out the transfers within the biennium. Properties may not be transferred if they do not meet value expectations or for other reasons not known at the time of transfer approval.

SB 847 would authorize the State Land Board to identify and submit to the Legislative Assembly a list of state trust lands with limited performance potential for transfer to another state or federal agency or tribe.