

# Senate Bill 912

Sponsored by Senator FERRIOLI

## 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**.

Prohibits State Land Board and Department of State Lands from selling state lands by any method other than selection of highest price bid through competitive bidding process.

## A BILL FOR AN ACT

1  
2 Relating to competitive bidding for state land; creating new provisions; and amending ORS 273.275  
3 and 273.825.

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

5 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 273.**

6 **SECTION 2. The State Land Board, by and through the Department of State Lands, is**  
7 **prohibited from engaging in the sale of state lands by any method other than through a**  
8 **competitive bidding process. Regardless of any other information or public benefits specified**  
9 **to be included in an application for the purchase of state lands, the determining factor in**  
10 **selecting the winning bidder in a competitive bidding process under this section shall be the**  
11 **highest price bid.**

12 **SECTION 3. ORS 273.275 is amended to read:**

13 273.275. Except as limited by ORS 270.020 [*and*], 273.225 to 273.241 [*and*], 274.040 **and section**  
14 **2 of this 2017 Act**, and as in its judgment the interests of the state demand, the Department of State  
15 Lands:

16 (1) Shall fix the price at which all classes of state lands may be sold and the interest to be  
17 charged on deferred payments therefor under ORS 273.281, and may provide for the advertisement  
18 and sale of such lands to the highest bidder in a manner consistent with ORS 270.020 [*and*], 273.225  
19 to 273.241 **and section 2 of this 2017 Act.**

20 (2) May at any time withdraw any or all of such lands from sale.

21 **SECTION 4. ORS 273.825 is amended to read:**

22 273.825. (1) The lessee of any common school grazing land, upon its classification for sale by the  
23 Department of State Lands, may purchase such land at a price and on terms prescribed under sub-  
24 section (2) of this section if the lessee is an individual person, a resident of this state and owns, in  
25 fee simple, land immediately adjacent to the common school grazing land for which the lessee has  
26 applied. For purposes of this section, lands are considered to be adjacent if their boundaries are  
27 common or intersect at a common point.

28 (2) Application to purchase common school grazing land under subsection (1) of this section must  
29 be made in a manner prescribed by the rules of the department. Upon receiving an application, the  
30 department shall determine whether the applicant qualifies under subsection (1) of this section. If  
31 the applicant qualifies, the department shall cause an appraisal to be made of the land for which

**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 application has been made. The department then shall fix a price for such land. ORS 270.020, 273.225  
2 to 273.241, [and] 273.275 **and section 2 of this 2017 Act** do not apply to the sale of land under this  
3 subsection. The applicant shall pay not less than 10 percent of the purchase price at the time of  
4 purchase, and shall pay the remainder in 10 equal installments, at least one installment to be paid  
5 each year, over a period not to exceed 10 years from the time of purchase, with interest at the rate  
6 fixed by the department for purposes of ORS 327.425.

7 (3) If application to purchase common school grazing land is made by a person other than the  
8 lessee of such land, the department promptly shall notify the lessee by registered or certified mail.  
9 Not later than the 90th day after notice was mailed to the lessee, the lessee may make written ap-  
10 plication in a manner prescribed by the rules of the department to purchase such land. If the de-  
11 partment determines that the lessee qualifies under subsection (1) of this section, the department  
12 shall proceed under subsection (2) of this section. If the department determines that the lessee does  
13 not so qualify, or if the lessee does not make timely application as required by this subsection, the  
14 department shall proceed to sell such land in accordance with applicable provisions of law other  
15 than this section.

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