

SB 1546 -1 STAFF MEASURE SUMMARY

Senate Committee On Natural Resources and Wildfire Recovery

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/1, 2/3

WHAT THE MEASURE DOES:

Establishes **Elliott State Research Forest** consisting of lands formerly constituting Elliott State Forest and establishes mission and management policies for the Elliott State Research Forest. **Decouples** Elliott State Research Forest from common School Forest Lands and direction to the State Forester to manage, control, and protect the Elliott State Forest Lands.

Creates Elliott State Research Forest Authority (**Authority**) to administer Elliott State Research Forest in a manner consistent with mission and management policies. Establishes that the Authority is governed by a board of directors (**Board**) comprised of the Dean of the Oregon State University (OSU) College of Forestry as a nonvoting member and seven or nine voting members with relevant experience or expertise appointed by the State Land Board. Establishes process for developing list of Board candidates to serve as the first voting members. Describes **duties of Board** that include but are not limited to: 1) contracting with OSU to implement forest management operations; 2) ensuring management policies are implemented effectively; 3) overseeing Authority's operational and fiscal integrity; 4) selecting Authority's executive director and overseeing and determining delegation of responsibilities; 5) determining scope of operational plans; 6) providing input and guidance to executive director concerning program, policy and plan implementations; 7) approving or denying certain budgets, reports, plans, and actions; and 8) submitting certain reviews and plans to the State Land Board. Requires Board to submit written **annual operations report** to the State Land Board for the first six years following the Act's effective date. Requires **State Land Board** to: provide policy guidance to the Board; review biennial programmatic reviews submitted by the Board; and approve or deny a forest management plan, forest management plan amendments, or any amendments to habitat conservation plan. Describes **duties of Authority's executive director**, which include: 1) managing day to day operations of the Authority; 2) overseeing plan implementation; 3) collaborating with OSU or contracted entity to implement forest management operations; 4) hiring and supervising Authority staff; 5) preparing and submitting all documents and plans requiring Board approval; 6) overseeing budget execution; 7) managing relationships with stakeholders; 8) working with advisory committees; 9) ensuring transparent decision making; and 10) restricting or prohibiting access to forest subject to Board direction. Authorizes the Authority, through the Board, to enter into and administer **contracts to perform functions** to carry out mission and management policies; oversee management of Elliott State Research Forest; participate in ecosystem services, forestry carbon programs, or easements consistent with management policies; accept and expend proceeds from the management of the forest for certain purposes; hold and ensure compliance with permits, certifications and permissions; work with other land owners surrounding the forest; and raise funds and advance partnerships that further management policies. Requires any contract Authority enters into to be consistent with approved biennial operations plans. Provides that requirements of Administrative Procedures Act do not apply to actions of Authority or Board. Creates exception allowing judicial review of action principally concerning person's individual rights. Creates exception allowing judicial review of certain other actions. Authorizes Board to propose and the State Land Board to approve **expansion or exchange of lands** in the Elliott State Research Forest with certain limitations. Establishes the Elliott State Research Forest Account (Account) and requires money deposited in Account to be appropriated to the Authority under the supervision and direction of the State Land Board. Authorizes Board to request **revenue bonding** to be used for administering forest.

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Authorizes Board to request certain **general obligation bonding** to be used for administering forest. Establishes the Elliott State Research Forest Development Revenue Bond Fund (Fund) and appropriates Fund to Authority for purposes of paying bond related costs. Authorizes use of certificates of participation financing to finance projects or purchases related to Elliott State Research Forests. **Decouples** Elliott State Research Forest from Common School Forest Lands and eliminates direction to the State Forester to manage, control, and protect the Elliott State Forest Lands. Provides that provisions related to Elliott State Research Forest become **operative** on January 1, 2024, only if certain events occur on or before July 1, 2023. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces measure. Replaces definition of “forest management plan.” Revises mission and management policies for the Elliott State Research Forest. Makes Legislative findings related to Oregon State University’s (OSU) Elliott State Research Forest Proposal that was accepted by the State Land Board in December 2020 and amended in April 2021. Expands duties of the Elliott State Research Forest Authority (Authority) board of directors (Board). Directs State Land Board to provide input on and approve or deny any proposed amendments to OSU’s Elliott State Research Forest Proposal and any expansion of lands in the Elliott State Research Forest. Expands role of State Land Board to provide input as well as approve or deny certain other plans. Stipulates term and salary direction for the Authority’s executive director. Expands actions the Authority may take. Removes County Commissioner and Attorney General role in expanding or exchanging lands in the Elliott State Research Forest. Stipulates that moneys generated from owning or operating Elliott State Research Forest be deposited in the Elliott State Research Forest Account. Clarifies definition of bond related costs. Expands purposes of requesting State Treasurer to issue revenue bonds to include cost of owning and operating the Elliott State Research Forest. Requires, prior to bonds being issued, the Authority’s Board to prepare revenue declaration or indenture. Authorizes Authority to establish reserve accounts within or separate and distinct from the Elliott State Research Forests Account. Places certain requirements on Elliott State Research Forest development revenue bonds. Requires National Marine Fisheries and the United States Fish and Wildlife Service to jointly publish notice of final habitat conservation and final environmental impact statement. Requires Department of State Lands to contract third-party to inform review of OSU’s plan and consider their input in concluding that the plan demonstrates financial viability.

BACKGROUND:

The Elliott State Forest is 91,000 acres of forest situated in Coos and Douglas Counties in the central Oregon Coast Range. It was established in 1930 as Oregon's first state forest and is overseen by the State Land Board and managed by the Department of State Lands (DSL) as a Common School Fund land asset.

In 2017, the State Land Board voted, after contemplating the sale of the Elliott State Forest, to keep the Elliott State Forest in public ownership. The State Land Board directed DSL to move forward with work to achieve the Board's vision for the Elliott, which includes: 1) keeping the forest publicly owned with public access; 2) decoupling the forest from the Common School Fund, compensating the school fund for the forest and releasing the forest from its obligation to generate revenue for schools; 3) continuing habitat conservation planning to protect species and allow for harvest; and 4) providing for multiple forest benefits, including recreation, education, and working forest research. In December 2018, the Land Board directed DSL and Oregon State University to begin exploring the Elliott State Research Forest concept. DSL convened the Elliott State Research Forest Advisory Committee, and OSU established an exploratory committee within its College of Forestry to explore transforming the Elliott State Forest into a publicly owned state research forest. The Elliott State Research Forest Proposal was presented to the State Land Board in December 2020 and the Land Board affirmed the Elliott

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State Forest's future as a research forest and directed continued collaboration and engagement to finalize remaining details.

Senate Bill 1546 establishes the Elliott State Research Forest consisting of lands formerly constituting the Elliott State Forest and establishes mission and management policies for the Elliott State Research Forest.

PRELIMINARY