SB 147-1 (LC 258) 3/13/25 (AG/STN/ps)

Requested by SENATE COMMITTEE ON NATURAL RESOURCES AND WILDFIRE

PROPOSED AMENDMENTS TO SENATE BILL 147

1	In line 2 of the printed bill, after "Forest" insert "; creating new pro-
2	visions; amending ORS 30.949, 283.085, 530.480, 530.490, 530.510 and 530.520;
3	and repealing ORS 530.450".
4	Delete lines 4 through 8 and insert:
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6	"ELLIOTT STATE RESEARCH FOREST
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8	" <u>SECTION 1.</u> Sections 2 to 4 of this 2025 Act are added to and made
9	a part of ORS chapter 273.
10	"SECTION 2. (1) The state forest formerly known as the Elliott
11	State Forest shall be known as the Elliott State Research Forest.
12	"(2) The State Land Board shall manage, control and protect the
13	forest for the dedicated purpose of maintaining a world-class research
14	forest.
15	"(3) The Department of State Lands may take any action necessary
16	for the management of the forest, including but not limited to:
17	"(a) Adopting rules in compliance with ORS chapter 183;
18	"(b) Adopting policies and plans;
19	"(c) Entering into intergovernmental agreements; and
20	"(d) Convening advisory committees.
21	"(4) Subject to the Public Contracting Code, the Director of the

Department of State Lands may procure, or supervise the procurement of, goods and services related to the management of the forest, including but not limited to goods and services related to facilities used for management of the forest.

"EXPANSION OR EXCHANGE OF LANDS

<u>SECTION 3.</u> (1) The Elliott State Research Forest shall consist of
lands determined by a resolution of the State Land Board, as modified
by any subsequent expansion or exchange of lands authorized by this
section.

"(2) The board may approve an expansion of lands in the forest, or
an exchange of lands in the forest or timber on the lands, that furthere the purposes set forth in section 2 of this 2025 Act.

15 **"(3) Lands in the forest may be exchanged:**

16 "(a) Only if the exchange consolidates the forest.

"(b) Only for lands of approximately equal aggregate value or a
 combination of lands and monetary consideration of approximately
 equal aggregate value.

"(4) The board shall consummate by legal conveyance an expansion
 or exchange described in this section.

22 "(5) After an expansion or exchange of lands under this section:

"(a) The board shall establish by resolution the lands constituting
the forest; and

"(b) The lands acquired by expansion or exchange become part of
the forest on the date on which the board adopts the resolution described in paragraph (a) of this subsection.

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"ELLIOTT STATE RESEARCH FOREST ACCOUNT

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"SECTION 4. (1) The Elliott State Research Forest Account is es-1 tablished in the State Treasury, separate and distinct from the General $\mathbf{2}$ Fund. Interest earned by the account shall be credited to the account. 3 "(2) The account shall consist of all moneys deposited in the ac-4 count or otherwise transferred to the account. Moneys in the account 5 may be invested as provided in ORS 293.701 to 293.857. Moneys in the 6 account are continuously appropriated to the State Land Board for 7 carrying out the provisions of sections 2 and 3 of this 2025 Act. 8

9 "(3) Moneys generated from owning or operating the Elliott State 10 Research Forest, including from any sale of forest products, carbon 11 or ecosystem services or credits or easement, and any other revenues 12 related to the forest, shall be deposited in the account.

"(4) The board may receive gifts, grants, bequests, endowments and donations of moneys from public and private sources for the purpose of contributing to the management and enhancement of the forest, including for activities such as recreation, education, interpretation, research and monitoring, cultural resources management and habitat improvement.

"(5) The board may apply for, accept and utilize grants from any
 source, including federal, state or local governments or private enti ties, to further the purposes set forth in sections 2 and 3 of this 2025
 Act.

"(6) The board shall deposit moneys received under subsection (4) or (5) of this section in the account. The board may expend moneys received under subsection (4) or (5) of this section only for purposes specified in the gift, grant, bequest, endowment or donation. If no purpose is specified, the board may use the moneys for the management and enhancement of the forest in a manner consistent with the purposes set forth in sections 2 and 3 of this 2025 Act.

30 "(7) The board shall keep a record of all moneys deposited in the

account or otherwise transferred to the account. The record shall indicate the sources of moneys and the individual activity or program
against which each withdrawal from the account is charged.

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"CERTIFICATES OF PARTICIPATION FINANCING

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"SECTION 5. ORS 283.085 is amended to read:

8 "283.085. As used in ORS 283.085 to 283.092:

9 "(1) 'Available funds' means funds appropriated or otherwise made avail-10 able by the Legislative Assembly to pay amounts due under a financing 11 agreement for the fiscal period in which the payments are due, unexpended 12 proceeds of the financing agreement and reserves or other amounts that have 13 been deposited in trust to pay amounts due under the financing agreement.

"(2) 'Credit enhancement agreement' means any agreement or contractual relationship between the state and any bank, trust company, insurance company, surety bonding company, pension fund or other financial institution providing additional credit on or security for a financing agreement or certificates of participation authorized by ORS 283.085 to 283.092.

"(3) 'Financing agreement' means a lease purchase agreement, an install ment sale agreement, a loan agreement or any other agreement:

"(a) To finance real or personal property that is or will be owned and operated by the state or any of its agencies;

"(b) To finance infrastructure, including but not limited to telecommunications systems, systems for water, sewage, electricity, steam or natural gas and other equipment or improvements that are necessary or appropriate to support a facility that is, or will be, owned or operated by the state;

"(c) To finance infrastructure components that are, or will be, owned or operated by a local government agency of this state if the Director of the Oregon Department of Administrative Services determines that financing the infrastructure facilitates the construction or operation of an adult or juvenile corrections facility or a public safety training facility owned or operated
by the state or any of its agencies;

"(d) To finance all or a portion of the state's pension liabilities for retirement, health care or disability benefits, in an amount that produces net proceeds that do not exceed the State Treasurer's estimate of those liabilities based on information provided to the State Treasurer by the Public Employees Retirement System;

8 "(e) To finance:

9 "(A) The release of all or a portion of the **former** Elliott State Forest 10 from restrictions resulting from ownership of that forest by the Common 11 School Fund; or

"(B) Compensation paid to the Common School Fund for the preservation of noneconomic benefits of the forest through the imposition, transfer or sale of restrictions such as easements, use requirements or other methods that preserve noneconomic benefits of the forest for the public, including recreation, aesthetics, wildlife or habitat preservation or other environmental and quality of life considerations; [*or*]

"(f) To finance capital projects or purchases related to owning, op erating or administering the Elliott State Research Forest; or

[(f)] (g) To refinance previously executed financing agreements.

"(4) 'Financing costs' means costs or expenses that the director determines are necessary or desirable in connection with entering into financing agreements and maintaining the certificate of participation program, including but not limited to payment of:

²⁵ "(a) Amounts due under financing agreements;

"(b) Costs and obligations the director or any other agency of the state
incurs in connection with the exercise of a power granted by ORS 283.085
to 283.092; and

29 "(c) Amounts due in connection with the investment of proceeds of fi-30 nancing agreements.

SB 147-1 3/13/25 Proposed Amendments to SB 147 1 "(5) 'Personal property' means tangible personal property, software and 2 fixtures.

"(6) 'Property rights' means, with respect to personal property, the rights
of a secured party under ORS chapter 79, and, with respect to real property,
the rights of a trustee or lender under a lease authorized by ORS 283.089
(1)(e).

"(7) 'Software' means software and training and maintenance contracts
related to the operation of computing equipment.

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"DECOUPLING ELLIOTT STATE FOREST

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12 "<u>SECTION 6.</u> ORS 530.450 is repealed.

¹³ "SECTION 7. ORS 530.480 is amended to read:

"530.480. As the Common School Forest Lands are determined as required 14 by ORS 530.450 to 530.520, such lands shall be described by legal subdivision. 15The State Land Board and the State Board of Forestry, respectively in their 16 regular meetings, shall by separate board resolutions designate and set aside 17 such lands as a part of the Common School Forest Lands[; lands in the 18 Elliott State Forest, as determined by ORS 530.450, shall be similarly de-19 scribed and reserved]. A copy of each board resolution certified by the Di-20rector of the Department of State Lands or the State Forester, respectively, 21together with the description of the lands involved, shall be filed with the 22Secretary of State, who shall keep such copies and descriptions in conjunc-23tion with the auditing records of the State Forestry Department Account. 24

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"<u>SECTION 8.</u> ORS 530.490 is amended to read:

26 "530.490. (1) Notwithstanding the provisions of any other law, or author-27 ity granted thereunder, after the State Board of Forestry and State Land 28 Board resolutions and legal descriptions are filed with the Secretary of State 29 as required by ORS 530.480, the State Forester hereby shall be authorized, 30 under the supervision of the State Board of Forestry and the regulations of

that board, to manage, control and protect the Common School Forest Lands. 1 [Also, notwithstanding the provisions of any other law, or authority granted $\mathbf{2}$ thereunder, the State Forester hereby is authorized, under the supervision of 3 the State Board of Forestry and the regulations of that board, to manage, 4 control and protect the Elliott State Forest Lands. In each instance] The State $\mathbf{5}$ Forester shall manage, control and protect such forests and forestlands so 6 as to secure the greatest permanent value of the lands to the whole people 7 of the State of Oregon, particularly for the dedicated purposes of the lands 8 and the common schools to which the resources of the lands are devoted. 9

"(2) Easements on, over and across the Common School Forest Lands [and
 the Elliott State Forest Lands] may be granted as follows:

"(a) Permanent easements determined by the State Forester and State
Board of Forestry as necessary to accomplish the dedicated purposes of such
lands may be granted by the Department of State Lands.

"(b) Easements other than permanent may be granted by the State
Forester under joint rules of the State Board of Forestry and Department
of State Lands.

"(3) The authority granted the State Forester in this section shall not 18 supersede the authority of the Department of State Lands to grant easements 19 on or leases for the Common School Forest Lands [and Elliott State Forest 20Lands] for grazing purposes or for the exploration and development of min-21erals, oil or gas, and any consideration received by the Department of State 22Lands therefor shall be excepted from the provisions of ORS 530.520. How-23ever, the Department of State Lands shall cooperate with the forestry pro-24gram of the State Forester in granting such easements and leases and make 25provisions therein for continuing the primary purposes for which such land 26has been dedicated. 27

²⁸ "SECTION 9. ORS 530.510 is amended to read:

29 "530.510. (1) The State Forester may propose and initiate any exchange 30 of [land of the Elliott State Forest or] Common School Forest Lands, or propose and initiate any exchange of timber on such lands, for land of approximately equal aggregate value, when any such exchange is in the furtherance
of the purposes of ORS 530.450 to 530.520. However:

4 "[(1) Any exchange of land of the Elliott State Forest must be for the con-5 solidation of the forest;]

"[(2)] (a) The State Land Board and the State Board of Forestry shall,
each separately, approve such exchanges by resolutions of the respective
boards; and

9 "[(3)] (b) The county court or board of county commissioners of the 10 county, or counties, in which such land is situated, shall approve such ex-11 change, and after such approval the exchanges shall be consummated by le-12 gal conveyance from the Department of State Lands.

"[(4)] (2) Under the authority granted in this section, in addition to land to be exchanged, a monetary consideration may be provided or received where necessary to make the values comply with this section. No exchange shall be made until title to the lands to be received has been approved by the Attorney General. All lands received in exchange shall have the same status and be subject to the same provisions of law as the lands given in exchange therefor.

²⁰ "SECTION 10. ORS 530.520 is amended to read:

²¹ "530.520. (1) Excepting receipts from the easements and leases designated ²² in ORS 530.490 (3), all receipts from [*the Elliott State Forest and*] the Com-²³ mon School Forest Lands shall be paid into the Common School Fund and ²⁴ are continuously appropriated to the Department of State Lands for the ²⁵ purposes for which other moneys in the Common School Fund may be used ²⁶ and to reimburse the Common School Forest Revolving Fund as provided in ²⁷ subsection (2) of this section.

"(2)(a) The Common School Forest Revolving Fund, in an amount not
exceeding \$300,000, is established as a fund, separate and distinct from the
General Fund, in the State Treasury. Interest earned by the fund shall be

credited to the fund. The revolving fund is continuously appropriated to the 1 State Forester for the payment of administrative expenses incurred by the $\mathbf{2}$ State Forester in the management, control and protection of [the Elliott State 3 Forest and] the Common School Forest Lands and in processing the sale of 4 forest products and the disposal of privileges under ORS 530.500. The re- $\mathbf{5}$ volving fund shall be reimbursed at least once each month by submission to 6 the Department of State Lands of a claim for payment approved by the State 7 Forester and payment of the claim to the revolving fund out of the Common 8 School Fund, that payment representing a portion of receipts paid into the 9 Common School Fund under subsection (1) of this section. 10

"(b) As used in paragraph (a) of this subsection, 'administrative 11 expenses' means a classification of expenses incurred by the State Forester 12 in performing functions referred to in paragraph (a) of this subsection as a 13 whole, rather than expenses incurred in performing any specific function 14 that is a part of the whole; and it means expenditures recognized as operat-15ing costs of a current or past period, including refund of overpayments in the 16 sale of forest products, and capital expenditures for buildings, furniture, 17 fixtures or equipment. 18

"(3) After the end of each six-month period the State Forester shall submit to the Department of State Lands a statement of capital asset account balances as of the end of that period for buildings, furniture, fixtures and equipment held by the State Forester in performing functions referred to in subsection (2)(a) of this section and in which the Common School Fund has a vested interest, showing the amount of that interest.

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"<u>SECTION 11.</u> ORS 30.949 is amended to read:

 26 "30.949. (1) As used in this section:

"(a) 'Access road' means a road owned or maintained by the State
Forestry Department.

"(b) 'Forest practice' has the meaning given that term in ORS 527.620.
"(c) 'State forestland' means:

SB 147-1 3/13/25 Proposed Amendments to SB 147 1 "(A) Forestland acquired under ORS 530.010 to 530.040; and

"(B) Common School Forest Lands [and Elliott State Forest Lands] managed under ORS 530.490.

"(2) A private entity that contracts with the State Forestry Department to perform a forest practice has a right of action for the amount of actual damages against any person that, while on state forestland or an access road on state forestland, intentionally commits an act that hinders, impairs or obstructs or is an attempt to hinder, impair or obstruct, the performance of the forest practice by the private entity. A court shall award a plaintiff prevailing under this section reasonable attorney fees and costs.

"(3) If the contract between the private entity and the department provides for the private entity to perform forest practices in a defined area of state forestland that lies in more than one county, venue for a cause of action under this section is proper in any county containing part of the area of state forestland defined by the contract terms in effect on the date the cause of action arose.

"(4) An action under this section must be commenced within two years
after the date of the act giving rise to the cause of action.

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"TRANSFER OF DUTIES, FUNCTIONS AND POWERS

"SECTION 12. All of the duties, functions, powers and lawfully in-22curred rights and obligations of the State Board of Forestry that per-23tain to the former Elliott State Forest are transferred to and vested 24in the State Land Board for the purposes set forth in sections 2 and 3 25of this 2025 Act related to the Elliott State Research Forest. The 26transfer shall include all applicable contractual rights and obligations 27and title to all applicable records, property, supplies and materials, 28including equipment, books and papers. For the purpose of succession 29 to these rights and obligations, the State Land Board is considered to 30

SB 147-1 3/13/25 Proposed Amendments to SB 147 be a continuation of the State Board of Forestry and not a new authority, and the State Land Board must exercise such rights and fulfill
such obligations as if they had not been assigned or transferred, except
as otherwise provided by law.

"CAPTIONS

8 "SECTION 13. The unit captions used in this 2025 Act are provided 9 only for the convenience of the reader and do not become part of the 10 statutory law of this state or express any legislative intent in the 11 enactment of this 2025 Act.".

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