

Senate Bill 98 – March 30, 2007

Relating to working forests; appropriating money; and declaring an emergency.

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

SECTION 1. {+ Sections 2 to 11 of this 2007 Act are added to and made a part of ORS chapter 530. + }

SECTION 2. {+ (1) It is the policy of the State of Oregon to achieve a goal of sustainable forests. Sustainable forests as a whole provide a full compliment of forest values, economic, social and environmental.

(2) Within this overall policy goal the role of Oregon is to support and sustain across Oregon's landscape a range of ownerships from private to public and a range of management objectives ranging from wood production emphasis to active management that may emphasize other resource values such as fish and wildlife.

(3) Further this policy recognizes:

- (a) That there are inseparable connections between public land and privately-owned land such that management decisions on public land affect the viability of the forest products industry, forest health and fire vulnerability, and other factors that influence management decisions and options on private lands;
- (b) That Oregon and the United States will not export social and environmental problems to other countries as a result of not meeting our demands for wood material from Oregon's forests;
- (c) That the educational capacity of Oregon and community health are intrinsically linked to a productive forestland base and the active management of Oregon's forests;
- (d) An adequate supply of forestland is essential to sustain the production of forest products and open space, watershed protection, habitat, and recreational opportunities;
- (e) An adequate supply of working forests is essential to sustain the economic, social, and environmental contributions of forests and to support an adequate forest sector infrastructure to ensure a capacity for active forest management;
- (f) That population growth, increasing real estate values and other factors create increased economic pressure to convert forestlands to other uses; and
- (g) That the economic, social, and environmental values of forests are inseparable, and that if keeping forestland in forest use becomes less viable economically, the social and environmental benefits will be diminished as well. + }

SECTION 3. {+ Definitions. As used in sections 2 to 11 of this 2007 Act, unless the context requires otherwise:

(1) 'Working forests' means real property or interests therein, managed primarily for the continuous growing and harvesting of forest trees species. + }

SECTION 4. {+dedicated source of revenue for scholarship funding. The legislature finds that the state's colleges and universities need a dedicated source of revenue to augment other sources of scholarship funding. The intent of this section is to ensure that the forestland purchased under this Act is known as the college and university forest scholarship fund land base, and is managed for sustainable commercial forestry consistent with the standards of the Oregon Forest Practices Act and other applicable laws and agreements.

These lands may also be managed for outdoor recreation, and fish and wildlife habitat. The lands will provide a source of revenue for the long-term provision of scholarships to students attending Oregon's public universities and colleges. + }

SECTION 5. {+Acquisition of working forests. To meet the purposes of this Act, the State Forester in collaboration with the Departments of Fish and Wildlife; Parks and Recreation; Community and Economic Development; and State Lands, and the Oregon Watershed Enhancement Board shall establish a Working Forest program, consistent with the mission, purpose, and statutory authorities of the partners, using existing acquisition authorities, funds and/or bonding capacity among these state agencies to acquire, by purchase, exchange, gift, lease or otherwise, real property or any interests therein to serve as working forests for the purposes set forth in sections 2 to 12 of this 2007 Act. The Department of State Lands may invest Common School Fund moneys in the acquisition and operation of a working forest so long as the revenues generated from the forest are returned to the Common School Fund proportionately to the amount invested in the working forest. For the purposes of this section, the State Forester may receive and disburse gifts, grants, bequests and endowments. Except as otherwise provided for the sale of forest products, consistent with applicable laws and agreements, the State Forester shall manage working forests under the authority and direction of the State Board of Forestry. + }

SECTION 6. {+Standards and Priority of acquisitions. In exercising this authority, the following standards and priorities shall be considered:

- (1) Acquiring a management interest in private lands including community forestlands established under ORS 530.600 to 530.628 shall be given preference to acquisition of title.
- (2) The primary priorities for acquisition include:
 - a. Federal lands that by reason of their location are chiefly valuable for purposes of working forest or are important to sustaining the forest sector infrastructure within a timber shed.
 - b. Large blocks of forestland zoned as forestland that are at risk of parcelization or residential development due to proximity to areas of the state subject to high population growth and are important to sustaining the forest sector infrastructure within a timber shed.
 - c. Large blocks of forestland zoned as forestland that are capable of increased timber production by restoring stocking, improving age class or species distribution or improving stand structure. +
 - d. Large blocks of forestland zoned as forestland that are at risk of parcelization or residential development that are currently working forests providing critical wildlife habitat, such as winter range and/or community drinking water supplies.}

SECTION 7. { + Management of working forests.

(1) The State Forester shall manage working forests acquired under section 4 of this 2007 Act to generate long-term working forests net revenues for the College and University Forest Scholarship Fund. Revenues shall be generated by the sale of forest products, and may be supplemented in any other manner not inconsistent with the goal of a long-term revenue stream, including the sale or lease of conservation easements, carbon credits, permits and licenses.

(2) The State Forester may hold and manage working forests alone or in cooperation with other entities including community forest authorities established under ORS 530.600 to 530.628.

(3) The State Forester may hold and manage working forests for a reasonable period of time without generating revenue if necessary to achieve longer-term management objectives. However, the State Forester shall sell property that cannot be managed consistent with this Act at fair market value. Unless otherwise directed by law or agreement, the proceeds of such sales shall be deposited in the College and University Forest Scholarship Fund. + }

SECTION 8. { + College And University Forest Scholarship Fund. (1) The College And University Forest Scholarship Fund is established in the State Board of Higher Education, and is separate and distinct from the General Fund. The State Forester shall deposit working forests net revenues into the College And University Forest Scholarship Fund pursuant to section 7 (2)(a) of this 2007 Act at times and in amounts deemed appropriate by the State Forester to fulfill the purposes of sections 2 to 11 of this 2007 Act. The fund also may be credited with other amounts, including but not limited to moneys appropriated to the fund for that purpose, contract proceeds, gifts, grants or donations from public and private sources and returns on investments made from the fund. The provisions of ORS 293.140 and 293.751 do not apply to the fund. Moneys in the fund may be invested as provided in ORS 293.701 to 293.820.

(2) The fund is continuously appropriated to the State Board of Higher Education for purposes specified in subsection (3) of this section.

(3) The State Board of Higher Education shall use the moneys in the fund to provide student assistance to residents of this state who attend Institutions within the Oregon University System. The State Board of Higher Education may pay the expenses necessary to administer the student assistance program from moneys in the fund. The State Board of Higher Education may adopt rules for the administration of this subsection. + }

SECTION 9. { + Working Forests Revenue Fund. (1) The Working Forests Revenue Fund is established in the State Treasury, separate and distinct from the General Fund. The provisions of ORS 293.140 and 293.751 do not apply to the Working Forests Revenue Fund. All working forests revenues including the net proceeds from the sale of working forests should that occur, shall be deposited in the Working Forests Revenue Fund. The State Forester may establish accounts as may be necessary to conveniently administer the fund.

Moneys in the fund are continuously appropriated to the Forestry Department. All interest earned by the fund shall be credited to the fund.

(2)(a) The State Forester may distribute from moneys in the fund, in the following priority, amounts needed at any time each fiscal year:

(A) For the actual cost of management and fire protection of the working forests for the fiscal year.

(B) For payments in lieu of property taxes to the counties in which the working forests are located for the fiscal year.

(C) For payments of bonds that may have been used in acquiring the lands as provided in section 5 of this 2007 Act.

(D) For transfer to the College and University Forest Scholarship Fund and to the counties in which the working forests are located.

(b) If moneys are available for the purposes specified in paragraph (a)(D) of this subsection, 80 percent of those available moneys shall be transferred to the College And University Forest Scholarship Fund and 20 percent shall be transferred to the counties in which the working forests are located. Each county

shall receive a share of the county payment in a portion that is proportionate to the amount of working forests revenues generated in the fiscal year by any working forests located in the county.

SECTION 10. { + Authority to adopt rules. The State Board of Forestry may adopt rules appropriate for the implementation of sections 4, 5, 6, 7, 8, 9 and 10 of this 2007 Act. + }

SECTION 11. { + Captions. The section captions used in this 2007 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2007 Act. + }

SECTION 12. { + Emergency clause. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on its passage. + }
