



# Oregon

Theodore R. Kulongoski, Governor

## Department of State Lands

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### State Land Board

## M E M O R A N D U M

Theodore R. Kulongoski  
Governor

Bill Bradbury  
Secretary of State

Randall Edwards  
State Treasurer

April 10, 2007

To: Governor Theodore R. Kulongoski  
Secretary of State Bill Bradbury  
State Treasurer Randall Edwards

From: Jeannette Holman, Asst. Director for Finance and Administration

Subject: Legislative Update

The Department of State Lands (DSL) filed three bills for the 2007 Legislative Session. In addition, the Governor filed one bill at the request of the Land Board, and a fifth bill was filed by the Department of Consumer and Business Services as part of a package of streamlining bills supported by the Governor. The Department is tracking these and other bills and providing testimony in support of the five bills.

### **Removal-Fill Program:**

#### **HB 2105 – Removal-fill permit fee increase**

This concept would increase fees for the state's Removal-Fill Program, provide for an annual increase of permit fees, and revise the fee structure to a more equitable schedule. Additionally, the Department would be allowed to assess a fee for persons conducting certain actions under a general authorization and for emergency authorizations.

The Removal-Fill Program relies heavily on statutory moneys in the Common School Fund. Fees have not been increased since 1989. Currently, fees pay for less than 10 percent of the costs of the Removal-Fill Program. Additional support comes from statutory revenues into the Common School Fund. This revised fee structure would move the program towards being more self-supporting. The Common School Fund would subsidize less of this regulatory program.



At the first public hearing on the bill, amendments were discussed in concept that would link the annual increase of the fee to the Consumer Price Index and authorize the Department to issue a general permit. These proposed amendments were added to the bill in a work session.

*Referred to House Energy and the Environment Committee with a subsequent referral to Ways & Means; public hearing held February 5, 2007; work session held February 26, 2007; recommendation: Do Pass with amendments, referred to Ways and Means by prior reference; no hearing scheduled at this time in Ways and Means.*

#### HB 2106 – New fee for concurrence with wetland delineation reports

This bill would establish a new \$350 fee for the review of wetland delineation reports. The fee would allow DSL to add staff necessary to be able to respond to requests for reviews in a timely manner.

At the public hearing and work session on February 5, 2007, amendments were discussed that would require the Department to complete a review within 120 days, reduce the amount charged for a resubmission to \$100, and link the annual increase in the fee amount to the Consumer Price Index. The amendments were added to the bill in a subsequent work session.

*Referred to House Energy and the Environment Committee with subsequent referral to Ways & Means; public hearing and work session held February 5, 2007; work session held February 26, 2007; recommendation: Do Pass with amendments, referred to Ways and Means by prior reference; no hearing scheduled at this time in Ways and Means.*

#### HB 2251 – Water-related permit improvement process pilot project

This concept, requested jointly by DSL and the Office of Regulatory Streamlining, would allow various agencies to create a pilot project for processing water-related permits. The pilot project is under development by the Water-Related Permit Process Improvement Team (WRPPIT) and will address streamlining and better coordination of permitting by agencies that issue permits related to the removal-fill permit process.

*Referred to House Energy and the Environment Committee; Public Hearing and Work Session held February 16, 2007; recommendation: Do Pass, referred to Ways and Means by prior reference; no hearing scheduled at this time in Ways and Means.*

This has a general fund budget package associated with it that is not included in the recently released Co-chairs budget.

## Unclaimed Property Program:

### HB 2104 – Reducing dormancy period for certain types of unclaimed property and changing method for giving notice of impending service charges

This proposal would change the current dormancy period of five years to three years for property held by financial institutions, insurance companies, and intangible equity ownership interests (stock and related distributions) and would change the method for giving notice of impending service charges by a financial institution from certified mail to first class mail.

The change to the dormancy period would minimize the variety of dormancy periods for property subject to unclaimed property statutes and will relieve the holder of responsibility for maintaining the integrity of the property at an earlier point in time. The proposed dormancy period also matches the corresponding statutes in California and Washington, thereby easing the reporting burden for those holders who also report to those states.

Currently, the statute requires notification of assessment of a service charge be sent by certified mail to the owner. Changing this to first class would reduce the expense to the holder while still providing protection to the owner. Other conditions for imposing a service charge would remain unchanged.

*Referred to House Business and Labor Committee with a subsequent referral to House Revenue; public hearing held February 28, 2007; public hearing and work session held March 9, 2007; recommendation: Do pass with amendments, and be referred to Revenue by prior reference; referred to Revenue by prior reference; public hearing scheduled April 11, 2007.*

### SB 67 – Transfers the Unclaimed Property Program from the Department of State Lands to the Office of the State Treasurer

Senate Bill 67, introduced by the Governor on behalf of the Land Board, would transfer the Unclaimed Property Program from the Department to the State Treasurer. Many states operate their unclaimed property programs out of the treasurer's office, where the statewide official can help to increase holder reporting and provide heightened awareness of the program, which in turn makes it easier for owners to claim their property. The bill also provides increased access for the State Treasurer to information collected by other state agencies, which promotes holder reporting and location of owners.

*Referred to Senate Education and General Government Committee; public hearing and work session held January 23, 2007; February 2, 2007*

*recommendation: Do Pass and be referred to Ways and Means; referred to Ways and Means by order of the President; no hearing scheduled at this time.*

### **HB 5043 – Department of State Lands budget**

The Department's budget bill was assigned to the Ways and Means Subcommittee on Natural Resources, chaired by Senator Richard Devlin. Public hearings were held February 13, 14, 19 and 20 with public testimony on February 19, 2007. The Subcommittee largely accepted the Governor's Recommended Budget for DSL, but did remove three packages related to bills and will consider those packages at the time the Subcommittee considers the substantive bills (SB 67, HB 2106 and HB 2251).

*Referred to Natural Resources Subcommittee of Ways and Means; public hearings February 13-20; work session held March 1, 2007; recommendation: Do Pass with amendments; returned to Full Committee; work session held March 9, 2007; recommendation: Do Pass with amendments; Third Reading House March 19, 2007: Passed (38 Ayes, 18 Nays, 4 Excused); Third Reading Senate April 2, 2007: Passed (20 Ayes, 8 Nays, 2 Excused).*

**The Department also is tracking a number of other bills that have been introduced that may affect the Department.**

### **House Bills**

**HB 2433 – Requires seller of property larger than three acres to disclose information about noxious weeds on the property**

*Referred to House Agriculture and Natural Resources Committee; no hearings scheduled to date.*

**HB 2511 – Expands crime of criminal mischief in second degree to include tampering or interfering with gates or signs that restrict closed roads**

*Referred to House Judiciary Committee; public hearing and possible work session held February 15, 2007.*

HB 2513 – Prohibits person from issuing gift card that expires or has face value that declines over time with lack of use; prohibits fee related to gift card

*Referred to House Consumer Protection; public hearing held March 12, 2007, public hearing and work session held April 4, 2007.*

HB 2528 – Requires agency to find cause to investigate alleged violation of law or rule before investigation begins

*Referred to House Government Accountability and Information Technology; public hearing held March 22, 2007.*

HB 2543 – Limits amount of certain leases on submersible lands

*Referred to House Energy and the Environment Committee; no hearing scheduled at this time.*

HB 2844 – Allows coastal counties to apply for designation of wave energy enterprise zones.

*Referred to Joint Emergency Preparedness and Ocean Policy Committee; public hearings held March 15, 2007, and April 3, 2007.*

HB 2925 – Exempts certain wave energy projects from regulation by Water Resources Commission as hydroelectric projects

*Referred to Joint Emergency Preparedness and Ocean Policy Committee; public hearing and work session held April 3, 2007.*

HB 3188 – Clarifies authority of Department of Geology and Mineral Industries in regulation of oil and gas; amends existing statute granting exclusive jurisdiction over oil and gas on submerged and submersible lands to Land Board

*Referred to House Agriculture and Natural Resources Committee with subsequent referral to Joint Committee on Ways and Means; public hearing held April 5, 2007.*

HB 3238 – Allows State Parks and Recreation Department to enter into agreement with Willamette River Channel Maintenance Group for performance of maintenance activities needed to improve river navigability and safety

*Referred to House Committee on Energy and the Environment; no hearings scheduled at this time.*

HB 3261 – Imposes fee on fuel supplies based on carbon emissions; deposits part of fee proceeds into Common School Fund

*Referred to House Revenue Committee with subsequent referral to Ways and Means; public hearing held April 5, 2007.*

HB 3411 – Increases value of estate for which small estate affidavit may be filed and increases amount every four years

*Referred to House Revenue; no hearings scheduled at this time.*

HB 3434 – Directs State Land Board to sell Elliott State Forest if proceeds of timber harvest do not equal earnings on investment in Common School Fund

*Referred to House Agriculture and Natural Resources Committee with subsequent referral to Ways and Means; public hearing held April 5, 2007.*

HB 3440 – Creates Task Force on Near Shore Research

*Referred to Joint Emergency Preparedness and Ocean Policy Committee with subsequent referral to Ways and Means; no hearings scheduled at this time.*

HB 3458 – Prohibits DSL from requiring lessee to allow public access to or across property used for growing agricultural crops

*Referred to House Agriculture and Natural Resources Committee; no hearings scheduled at this time.*

HB 5024 – State Department of Forestry Budget

*Assigned to Joint Ways & Means Subcommittee on Natural Resources; public hearings in progress.*

HJM 22 – Urges Congress to amend Federal Power Act to specifically address and encourage development of wave energy

*Referred to Joint Emergency Preparedness and Ocean Policy Committee; public hearing held April 3, 2007.*

## Senate Bills

SB 85 – Makes public bodies providing electricity or communication services subject to utility attachment regulation

*Referred to Senate Business, Transportation and Workforce Development Committee; public hearing held January 29, 2007; work session held March 21, 2007; recommendation: Do Pass with amendments; Third Reading Senate April 2, 2007, passed; Referred to House Government Accountability and Information Technology April 6, 2007.*

SB 232 – Allows state agencies to construct and operate facilities for generation of electricity (State Lands already has authority)

*Referred to Senate Environment and Natural Resources Committee with subsequent referral to Ways and Means; public hearing held February 15, 2007.*

SB 420 – Creates Environmental Justice Task Force, requires natural resources agencies to perform certain duties

*Referred to Senate Environment and Natural Resources Committee; public hearing and work session held April 5, 2007.*

SB 432 – Allows ship breaking in Oregon only in dry dock; prohibits ship breaking in territorial sea, at pier, or dismantling slip

*Referred to Joint Emergency Preparedness and Ocean Policy Committee; public hearing and work session held March 2, 2007; recommendation: Do Pass with amendments; re-referred to Joint Emergency Preparedness and Ocean Policy Committee March 19, 2007; work session held March 27, 2007.*

SB 460 – Makes unclaimed gift cards subject to unclaimed property laws

This bill, introduced by Senator Ben Westlund, would make a gift card subject to the unclaimed property laws if the card is unredeemed for more than three years.

*Referred to Senate Finance and Revenue Committee; public hearings held February 12, 2007, and March 8, 2007; work session held March 14, 2007.*

SB 544 – Allows arbitration as alternative to appeal to Court of Appeals of orders of Director of Department of State Lands relating to removal or fill permits

*Referred to Senate Judiciary Committee; no hearings scheduled at this time (waiting for DSL amendments to direct DSL to investigate program to certify wetlands consultants).*

SB 790 – Places moratorium on leasing for purposes of exploration, development, or production of oil, gas, or sulfur in Territorial Sea

*Referred to Joint Emergency Preparedness and Ocean Policy Committee; public hearing held March 20, 2007.*

SB 875 – Requires posting of bond for removal and restoration in order to obtain permit to operate wave energy facility

*Referred to Joint Emergency Preparedness and Ocean Policy Committee; public hearings held March 20, 2007, and April 3, 2007.*

SB 1007 – Imposes special information requirements for pesticide application in certain forestland

*Referred to Senate Environment and Natural Resources Committee; no hearings scheduled at this time.*

SCR 1 – Establishes deadlines for completion of legislative measures and adjournment sine die, establishes procedures for convening special session in February 2008.

*Passed by both Senate and House; filed with Secretary of State on January 19, 2007.*

In addition to these bills, the agency is following numerous bills that affect its operations in human resources and contract management, processing of Ballot Measure 37 claims, and administrative procedures. These bills are generally tracked, and testimony coordinated on them, by the Department of Administrative Services or, for Measure 37 bills, the Department of Land Conservation and Development. However, the Department watches them carefully in order to be aware of potential global changes that will impact the agency if the bills pass.