

INFORMATIONAL MEETING

PUBLIC HEARING AND WORK SESSION: SB 873

TAPES 077 - 078 A

SENATE REVENUE COMMITTEE

MARCH 31, 1999 - 3:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Randy Miller, Chair

Senator Thomas Wilde, Vice Chair

Senator Tom Hartung

Senator Charles Starr

Members Excused: Senator Lee Beyer

Staff: Paul Warner, Legislative Revenue Officer

Ed Waters, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Invited Testimony: Paul Cleary, Division of State Lands

Representative Al King, House District 44

Witnesses: Paul Romain, Citizen

TAPE 077, SIDE A

005 Chair Miller Meeting called to order at 3:00 p.m.

PUBLIC HEARING ON SB 873

011 Paul Romain Spoke in support of the measure.

039 Distributed Revenue impact statement. (Exhibit 1)

WORK SESSION ON SB 873

048 Sen. Hartung MOTION: MOVED SB 873 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

051 VOTE
ROLL CALL VOTE: MOTION PASSES 4-0-1
SENATORS VOTING AYE: Hartung, Starr, Wilde, Chair Miller
SENATORS EXCUSED: Beyer
Sen. Starr will carry the bill.

INFORMATIONAL ñ COMMON SCHOOL FUND PRESENTATION

062 Paul Cleary Presentation on Common School Fund. (Exhibit 2)

131 Cleary Continued with presentation and Tab 3, Revenues/Expenditures/Distributions, (Page 19, Exhibit 2).

183 Continued with presentation and Tab 4, Alternative Distribution Scenarios, (Page 22, Exhibit 2).

248 Sen. Hartung How much of the lands in Oregon in 1859 were "admissions act lands"?

254 Cleary Oregon received approximately 6% of the total landmass, (Sections 16 and 36 in every township) for approximately 4.2 million acres. In the 1860-70s Oregon sold

approximately 3.8 million acres for \$1/acre for the school lands and \$2/acre for the university land.

Although Oregon does not have the land base of Washington or other states, with adoption of wise investment practices Oregon's permanent fund exceeds Washington's at this time.

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| 271 | Sen. Hartung | Why is such a large percentage, (52%) of the lands in Oregon government lands? |
| 276 | Cleary | Provided historical background on the division of Oregon's territorial lands. |
| 282 | Sen. Hartung | Who is investing the income? |
| 283 | Cleary | Through the State Treasury staff with the advice of the Oregon Investment Council, same as the PERS account. |
| 293 | Sen. Hartung | Compared aggressiveness of investments between Oregon State University's foundation and the State Lands Common School Fund. |
| 301 | Cleary | Concurred and explained the thought process behind investments of the Common School Fund. |
| 311 | Chair Miller | The fund flow diagram, Estimated Constitutional Receipts, column, is that an annual statement, (Page 19, Exhibit 2)? |
| 317 | Cleary | That is for the biennium. |
| 323 | Chair Miller | What would a graph illustrating forest receipts look like? |
| 326 | Cleary | It fluctuates dramatically. |
| 349 | Chair Miller | The 10-year Escheat's is a rolling number, correct? |

351	Cleary	That number is an average. Defined escheat and described the process used to locate heirs for those properties. Escheats revert to the State, if they are unclaimed after 10 years, whereas unclaimed property is held in perpetuity.
392	Sen. Starr	How is the harvest trend in Oregon affected by the ESA and other problems connected to state lands?
400	Cleary	Referenced the Elliot State Forest (Common School Forestland); during the development of the habitat conservation plan harvest levels were down. Harvests have stabilized with the completion of that plan and an allowable annual harvest figure, although they are reduced from the 1960-70s level.
424	Sen. Starr	How does the annual harvest relate to productivity of forest? What cycle is the State harvesting on?
432	Cleary	The State is harvesting on a sustainable cycle, I believe it is in the 80-120 year rotation class or old growth.

TAPE 078, SIDE A

018	Rep. Al King	Presentation on the Common School Trust Fund and a proposed distribution method. (Exhibit 3)
075	Rep. King	Continued with presentation of a proposed distribution method for the Common School Trust Fund, (Page 1, Exhibit 3).
111	Chair Miller	Meeting adjourned at 3:35 p.m.

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 873, Waters, Revenue impact statement, 1 page
2. Informational, Cleary, Written presentation, 30 pages
3. Informational, Rep. King, Written presentation, 9 pages