# Chapter 530

## 2009 EDITION

# State Forests; Community Forests


MULTISERIES DEFINITIONS

530.005 Definitions for ORS 530.010 to 530.170 and 530.210 to 530.280

ACQUISITION, MANAGEMENT AND DEVELOPMENT OF STATE FORESTS

530.010 State Board of Forestry authorized to acquire lands; limitations; lands designated as state forests

530.020 Title to acquired lands; encumbrances; Attorney General approval of title; cure of defects; recording

530.025 Interests in acquired lands; management of lands; sales

530.030 Conveyance of county lands to state; consideration; adjustment of delinquent fire patrol liens; contracts concerning removal of timber and disposition of proceeds from sale thereof

530.040 Exchange of forestland or timber; reservations; hearing; approval of title; status of lands received

530.050 Management of lands acquired; powers of forester; rules

530.055 Leasing lands acquired

530.059 Procedure for sales of forest products; surety deposit required of bidder

530.065 Modifying timber sale contracts

530.075 Validation of state acquisition of county land; purposes for which land may be used; disposition of revenue

530.110 Distribution of revenues from lands acquired under ORS 530.010 to 530.040

530.115 Disposition of certain moneys described in ORS 530.110; disposition of forest product rehabilitation revenues

530.120 Account of receipts from lands acquired; annual statement to county

530.130 Issuance of revenue bonds to acquire lands

530.140 Forest development revenue bonds

530.143 Revenue bond refunding

530.147 Forest Development Revenue Bond Fund

530.170 Disposition of revenues from lands acquired under former statute

530.175 Forest Acquisition County Reimbursement Fund

530.180 State Forest Acquisition Fund

FOREST REHABILITATION ACT

530.210 Definitions for ORS 530.210 to 530.280

530.220 Oregon Forest Rehabilitation Act

530.230 Issuance of general obligation bonds

530.240 Use of proceeds from general obligation bonds

530.250 State Forester to rehabilitate state forestlands; assistants, equipment and contracts; rules

530.255 Hardwood species for reforestation

530.280 State Forestry General Obligation Bond Fund

ELLIOTT STATE FOREST; COMMON SCHOOL FOREST LANDS

530.450 Withdrawal from sale of Elliott State Forest

530.460 Lands suited for growing forest products to be designated Common School Forest Lands and withdrawn from sale

530.470 Determination of lands to be designated Common School Forest Lands

530.480 Legal descriptions of lands; resolutions of State Land Board and State Board of Forestry

530.490 Management, control and protection of Common School Forest Lands and Elliott State Forest; easements

530.500 Authority of State Forester in management, protection, utilization and conservation of lands and waters; rules

530.510 Exchanges of land

530.520 Use of receipts; manner of paying administrative expenses

COMMUNITY FOREST AUTHORITIES

530.600 Definitions for ORS 530.600 to 530.628

530.602 Findings

530.604 Community forest authorities

530.606 Creation of authority; modification; dissolution

530.608 Board of directors of authority; officers; terms; rules

530.610 Levy of taxes prohibited

530.612 Powers of authority

530.614 Authorization to issue bonds or other obligations; method of issuance

530.616 Authorization to borrow moneys or to issue, sell and assume bond anticipation notes

530.618 Effect of bonds or other obligations on municipality

530.620 Loan repayment

530.622 Authorities may act jointly; limits on acquisition of forestlands

530.624 Assets and income of authority exempt from taxation; exceptions

530.626 Earnings in excess of amounts required for authority

530.628 Application of laws to authority and to issuance of bonds

FOREST MANAGEMENT VIOLATIONS

530.900 Disposition of fines and court costs

530.990 Penalties for forest management violations

## MULTISERIES DEFINITIONS

**530.005 Definitions for ORS 530.010 to 530.170 and 530.210 to 530.280.** As used in ORS 530.010 to 530.170 and 530.210 to 530.280:

(1) "Bond-related costs" means:

(a) The costs and expenses of issuing, administering and maintaining bonds, including but not limited to paying principal and interest, and premiums if any, on general obligation or revenue bonds, redeeming general obligation or revenue bonds, paying amounts due in connection with credit enhancements or any instruments authorized by ORS 286A.580 (6) and paying the administrative costs and expenses of the State Treasurer and the State Forestry Department, including costs of consultants or advisors retained by the treasurer or the department for the bonds;

(b) The costs of funding any bond reserves;

(c) Capitalized interest for bonds;

(d) Rebates or penalties due to the United States in connection with the bonds; and

(e) Any other costs or expenses that the State Treasurer or the State Forestry Department determines are necessary or desirable in connection with issuing, administering or maintaining the bonds.

(2) "Reforestation" means to increase tree stocking to a level that meets or exceeds the stocking standards relating to productivity specified by the State Board of Forestry by rule. [2009 c.831 §1]

**Note:** 530.005 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 530 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

## ACQUISITION, MANAGEMENT AND DEVELOPMENT OF STATE FORESTS

**530.010 State Board of Forestry authorized to acquire lands; limitations; lands designated as state forests.** (1) The State Board of Forestry, referred to in this chapter as the board, in the name of the State of Oregon, may acquire, by purchase, donation, devise or exchange from any public, quasi-public or private owner, lands which by reason of their location, topographical, geological or physical characteristics are chiefly valuable for the production of forest crops, watershed protection and development, erosion control, grazing, recreation or forest administrative purposes.

(2) The board shall not acquire any land without prior approval, duly made and entered, of the county court or board of county commissioners of the county in which the lands are situated.

(3) Lands acquired under the provisions of this section shall be designated as state forests. [Amended by 1953 c.43 §2; 1967 c.396 §1]

**530.020 Title to acquired lands; encumbrances; Attorney General approval of title; cure of defects; recording.** Title to all lands acquired by the State Board of Forestry under ORS 530.010 shall be free and clear of all encumbrances except easements of rights of way and reservations or exceptions of gas, oil, coal, mineral and timber rights, unless the board determines other encumbrances will not unduly limit the management of the lands consistent with ORS 530.010 to 530.170. All titles shall be approved by the Attorney General before conveyance is accepted. However, the Attorney General may approve title to lands proposed to be acquired from counties under the provisions of ORS 530.030 or proposed to be acquired by donation or devise when, in the opinion of the Attorney General, existing defects of title are of formal nature and may be cured by suit to quiet title. In case of acquisition of lands with defective title, the Attorney General may institute suit to quiet title to such lands, and all costs in connection therewith shall be a proper charge against the funds of the board. All deeds, abstracts, title insurance policies, and other evidences of title to lands acquired under ORS 530.010 to 530.040 shall be deposited with the Secretary of State. All deeds shall promptly be recorded in the county in which the lands are situated. [Amended by 1955 c.421 §1; 2009 c.831 §9]

**530.025 Interests in acquired lands; management of lands; sales.** For acquisitions made by the State Board of Forestry on or after July 28, 2009:

(1) The board may hold and manage lands alone or in cooperation with other entities, including but not limited to community forest authorities under ORS 530.600 to 530.628.

(2) The board may acquire lands or partial interest in lands, including but not limited to conservation easements.

(3) Subject to any covenants under ORS 530.130 or 530.147, the board may sell lands or partial interest in lands, including but not limited to conservation easements, to other parties if the board determines that the other parties are better situated to manage the lands for the long term. [2009 c.831 §2]

**Note:** 530.025 was added to and made a part of 530.010 to 530.170 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

**530.030 Conveyance of county lands to state; consideration; adjustment of delinquent fire patrol liens; contracts concerning removal of timber and disposition of proceeds from sale thereof.** (1) The county court or board of county commissioners of any county may convey to the state for state forests any lands heretofore or hereafter acquired by such county through foreclosure of tax liens, or otherwise, that are within the classification of lands authorized to be acquired under ORS 530.010, if the State Board of Forestry deems such lands necessary or desirable for acquisition, in consideration of the payment to such county of the percentage of revenue derived from such lands as provided in ORS 530.110. In connection with any such conveyance, the State Board of Forestry shall have authority to make equitable adjustments with any county of accrued delinquent fire patrol liens on lands heretofore or hereafter acquired by such county by foreclosure of tax liens.

(2) As to such lands acquired by the State Board of Forestry with title to the timber remaining in the county for a designated period of time, the State Forester may enter into contracts with the county to supervise the removal and sale of such timber, and under such contracts the gross proceeds of the sale thereof shall be disposed of as follows:

(a) Ten percent of such gross proceeds shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used exclusively for the purposes and under the limitations set out in ORS 530.110 (1)(a).

(b) A percentage of such gross proceeds shall be accepted by the State Forester, pursuant to written contract with the county authority, as compensation for the supervision and management of county-owned timber. The moneys so derived shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used exclusively for the supervision and management of state forests acquired pursuant to ORS 530.010. [Amended by 1953 c.65 §5; 1957 c.83 §13; 1965 c.423 §1; 2007 c.71 §171]

**530.040 Exchange of forestland or timber; reservations; hearing; approval of title; status of lands received.** (1) It is desirable that lands acquired under the provisions of ORS 530.010 shall be consolidated in areas wherever possible through exchanges of land. It is recognized that the management of state forests will be more economically feasible through such consolidation.

(2) In order to accomplish the objectives of subsection (1) of this section, the State Board of Forestry may exchange any land acquired under the provisions of ORS 530.010, or may exchange the timber on such land, for land of approximately equal aggregate value, situated in the same county, when such exchange is in furtherance of the purposes of ORS 530.010. However, the State Board of Forestry may exchange land or timber situated in one county or counties for land situated in another county or counties if such exchange is first approved by the county court or board of county commissioners of each county involved. Either party to any such exchange may make reservations of easements, rights of use and other interests and rights. Under the authority granted in this section, the State Board of Forestry may provide or receive, in addition to land to be exchanged, a monetary consideration where necessary to make the values comply with this subsection.

(3) Before making any such exchange, the State Board of Forestry shall hold a hearing thereon at the courthouse of the county in which such lands are situated and shall give notice of the time and place thereof by publication in two successive issues of a newspaper of general circulation published in such county. The notice shall contain a description of the lands to be given and to be received in the proposed exchange. However, no such exchange shall be made until the title to the lands to be received has been approved by the Attorney General.

(4) 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. [Amended by 1955 c.421 §2; 1959 c.103 §1; 1967 c.396 §2; 2007 c.71 §172]

**530.050 Management of lands acquired; powers of forester; rules.** Under the authority and direction of the State Board of Forestry except as otherwise provided for the sale of forest products, the State Forester shall manage the lands acquired pursuant to ORS 530.010 to 530.040 so as to secure the greatest permanent value of those lands to the state, and to that end may:

(1) Protect the lands from fire, disease and insect pests, cooperate with the counties and with persons owning lands within the state in the protection of the lands and enter into all agreements necessary or convenient for the protection of the lands.

(2) Sell forest products from the lands, and execute mining leases and contracts as provided for in ORS 273.551.

(3) Enter into and administer contracts for the sale of timber from lands owned or managed by the State Board of Forestry and the State Forestry Department.

(4) Permit the use of the lands for other purposes, including but not limited to forage

and browse for domestic livestock, fish and wildlife environment, landscape effect, protection against floods and erosion, recreation, and protection of water supplies when, in the opinion of the board, the use is not detrimental to the best interest of the state.

(5) Grant easements, permits and licenses over, through and across the lands. The State Forester may require and collect reasonable fees or charges relating to the location and establishment of easements, permits and licenses granted by the state over the lands. The fees and charges collected shall be used exclusively for the expenses of locating and establishing the easements, permits and licenses under this subsection and shall be placed in the State Forestry Department Account.

(6) Require and collect fees or charges for the use of state forest roads. The fees or charges collected shall be used exclusively for purposes of maintenance and improvements of the roads and shall be placed in the State Forestry Department Account.

(7) Reforest the lands and cooperate with the counties, and with persons owning timberlands within the state, in the reforestation, and make all agreements necessary or convenient for the reforestation.

(8) Require such undertakings as in the opinion of the board are necessary or convenient to secure performance of any contract entered into under the terms of this section or ORS 273.551.

(9) Sell rock, sand, gravel, pumice and other such materials from the lands. The sale may be negotiated without bidding, provided the appraised value of the materials does not exceed $2,500.

(10) Enter into agreements, each for not more than 10 years duration, for the production of minor forest products.

(11) Establish a forestry carbon offset program to market, register, transfer or sell forestry carbon offsets. In establishing the program, the forester may:

(a) Execute any contracts or agreements necessary to create opportunities for the creation of forestry carbon offsets; and

(b) Negotiate prices that are at, or greater than, fair market value for the transfer or sale of forestry carbon offsets.

(12) Do all things and make all rules, not inconsistent with law, necessary or convenient for the management, protection, utilization and conservation of the lands. [Amended by 1953 c.65 §5; 1955 c.421 §3; 1957 c.228 §1; 1959 c.141 §1; 1963 c.475 §1; 1965 c.128 §1; 1967 c.396 §3; 1983 c.759 §9; 2001 c.752 §8; 2005 c.103 §37]

**530.055 Leasing lands acquired.** Except as limited in this section but subject to separate sale of forest products under ORS 530.059, lands acquired under ORS 530.010 to 530.040 may be leased by the State Forester to any person when approved by the State Board of Forestry and for purposes deemed by the board to be more in the public interest than the purposes for which the land was acquired. [1965 c.128 §3]

**530.059 Procedure for sales of forest products; surety deposit required of bidder.** (1) Before offering any forest products for sale under authority of ORS 530.050 or 530.500, the State Forester shall cause the forest products to be appraised. Should the appraised value of the forest products be in excess of $25,000, the State Forester shall not sell the same to a private person, firm or corporation, except after giving notice of the sale as required by this section, and affording an opportunity for competitive bidding either by public auction or through sealed bids, or a combination of both; provided, however, that such notice and opportunity for competitive bidding will not be required for sales in connection with:

(a) Experimental or research projects in the field of forestland management or forest product utilization.

(b) The removal, injury or destruction of forest products necessitated by any grant of easement or right of way, or necessitated by a permit or license to use a right of way, including trees which may endanger the use of such easement or way.

(c) The removal of forest products with an appraised value of less than $100,000 that, as a result of an act of nature or other unforeseen circumstance:

(A) Pose a threat to the health of the forests, waterways or forest road infrastructures; or

(B) Will lose value as a result of potential theft.

(d) The removal of forest products with an appraised value of less than $100,000 to facilitate the development, placement or maintenance of forest road infrastructures.

(2) The State Forester shall give the notice required by subsection (1) of this section by mail to all persons requesting such notice and in such other media of communication as the State Forester may deem advisable. The State Forester shall maintain a mailing list with the names and addresses of persons who have requested to receive State Forestry Department notices of timber sales. The notice shall describe the forest products to be sold and the land on which such products are situated, state the minimum price at which the same may be sold, and contain a brief

statement of the terms of the sale. As a provision of each sale, the State Forester shall reserve the right to accept or reject any or all bids.

(3) Prior to or at the time the State Forester receives bids, each bidder shall furnish the State Forester with a certified check, cashier's check, money order, surety bond, cash deposit, assignment of surety, irrevocable letters of credit or other securities as determined acceptable by the State Forester in an amount designated by the State Forester but said amount shall not exceed 10 percent of the minimum price of the forest products to be sold, which check, order or deposit, in the case of the successful bidder, shall be retained by the State Forester as a credit toward payment of the purchase price of the forest products sold, and which, in the case of the unsuccessful bidders, shall be returned to them after determination of the successful bid. Any checks, bonds or orders furnished under this subsection shall be made payable to the State of Oregon.

(4) The State Forester is authorized to require and accept a surety bond, cash deposit, assignment of surety, irrevocable letters of credit or other securities as determined acceptable by the State Forester. Claims against such bond shall be made to the State Forester for determination. If the claim is disputed, the forester may request settlement of the claim through compromise or mediation or require the claim to be litigated.

(5) If the provisions of this section have been complied with, and no satisfactory bid has been received, or the bidder fails to complete the purchase, the State Forester may, at any time, during a period of six months after the advertised date of sale, sell the forest products in such manner as the forester deems appropriate, but the sale price shall not be less than the minimum terms offered in the notice of sale or the highest bid received, whichever is the larger amount. [1959 c.141 §4; 1963 c.475 §2; 1967 c.396 §4; 1975 c.185 §7; 1983 c.759 §10; 1987 c.324 §1; 1995 c.375 §3; 1997 c.285 §1]

**530.060** [Repealed by 1957 c.229 §1]

**530.065 Modifying timber sale contracts.** (1) During the period of a timber sale contract made under ORS 530.059, either party may propose to change or modify the terms of the contract if unforeseen circumstances develop. As used in this subsection, "unforeseen circumstances" means acts of nature or other unforeseen circumstances or conditions that:

(a) Affect the nature or scope of the work to be performed or volume to be harvested under the terms of the sale contract made by the State Forester; or

(b) Require additional work or harvest in an area adjacent to a timber sale made by the State Forester.

(2) The State Forester is hereby authorized to change or modify the terms or conditions of the contract in the event of unforeseen circumstances requiring such change or modification under subsection (1) of this section only when:

(a) Such change or modification is in the best interest of the State of Oregon; and

(b) The purchaser of the timber sale agrees that the proposed change or modification will maintain an equitable contractual relationship between the parties. [1965 c.128 §2; 1983 c.759 §11; 1997 c.285 §2]

**530.070** [Repealed by 1957 c.229 §1]

**530.075 Validation of state acquisition of county land; purposes for which land may be used; disposition of revenue.** (1) Notwithstanding ORS chapter 275 or any other law, deeds of conveyance or other instruments transferring county forests, public parks or recreational areas, from a county to the State of Oregon, either acting by and through or for the use and benefit of the State Board of Forestry, are validated and shall be conclusive evidence of the transfer of such lands from the county to the state.

(2) The State Board of Forestry shall use, manage and develop such lands for the purposes designated in ORS 275.320 if such lands are suitable for such purposes; otherwise, the lands shall be used for the purposes stated in ORS 530.010 and any revenue derived from the sale of forest products from such lands shall be disposed of in accordance with the provisions of ORS 530.110 (2). In other instances where the county received title to the land from a grantor with the provision that the land be used for particular purposes, this section shall not be construed to obviate such purposes. [1963 c.475 §3]

**530.080** [Repealed by 1957 c.229 §1]

**530.090** [Repealed by 1957 c.229 §1]

**530.100** [Repealed by 1957 c.83 §26]

**530.110 Distribution of revenues from lands acquired under ORS 530.010 to 530.040.** (1) All revenues derived from lands acquired without cost to the state, or acquired from counties pursuant to ORS 530.030, shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used in accordance with the following distribution:

(a) Fifteen percent shall be credited to the State Forests Protection Subaccount of the State Forestry Department Account until the amount in such subaccount reaches $475,000. Thereafter, the revenues shall be disposed of as stated in paragraphs (b) and (c) of this subsection, unless needed to main-

tain the $475,000 level. All moneys in the State Forests Protection Subaccount are continuously appropriated to the State Forester who may use such money under the following priorities:

(A) First, in addition to or in lieu of other moneys available, to pay the cost of protection, as determined under ORS 477.270, for lands acquired under ORS 530.010 to 530.040.

(B) Second, to provide moneys needed for activities authorized by subsection (3) of this section.

(C) From remaining moneys, to pay costs incurred in the suppression of fire originating on or spreading from an operation area, as defined in ORS 477.001, on state-owned forestland acquired under ORS 530.010 to 530.040. The State Forester shall make payments with approval of the State Board of Forestry for such fire suppression costs, except that no payments shall be made for such costs or portion thereof when other parties are responsible under law or contracts for the payment of such costs.

(b) Seventy-five percent of all such revenues remaining after the percentage disposed of as stated in paragraph (a) of this subsection, shall be disposed of as provided in ORS 530.115.

(c) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated in paragraph (a) of this subsection, shall be used for the purposes set out in subsection (3) of this section.

(2) Except as provided in ORS 530.147 and ORS 530.280, all revenues from lands other than lands designated in subsection (1) of this section, acquired under ORS 530.010 to 530.040, shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used in accordance with the following distribution:

(a) Until each legal subdivision of the lands has been credited with an amount equal to the purchase price thereof, the revenues shall reimburse the State Forestry Department Account. If sufficient revenue to reimburse the State Forestry Department Account is not generated from the purchased parcels within five years from the date of acquisition, the State Forester, with the consent of the affected county, shall deduct all or portions of the unreimbursed purchase costs from the revenue distributed to that county in accordance with ORS 530.115 (1). After the State Forestry Department Account has been reimbursed for the purchase price of the lands, the revenue from the lands shall be distributed according to the formula specified in paragraphs (b), (c) and (d) of this subsection.

(b) The percentage required under subsection (1)(a) of this section shall be credited to the State Forests Protection Subaccount, and the revenues shall be disposed of as stated in paragraphs (c) and (d) of this subsection.

(c) Seventy-five percent of all such revenues remaining after paragraphs (a) and (b) of this subsection have been complied with, shall be disposed of as provided in ORS 530.115.

(d) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated in paragraphs (a) and (b) of this subsection, shall be used for the purposes set out in subsection (3) of this section.

(3) Unless otherwise consented to in advance and in writing by the counties from which the state has acquired lands without cost to the state or pursuant to ORS 530.130, the moneys in the State Forestry Department Account derived from those percentages of revenues set out in subsections (1)(c) and (2)(d) of this section shall be used exclusively for the following purposes and in the following order:

(a) First, for the payment of bond-related costs for bonds issued under ORS 530.140.

(b) Second, to the Forest Acquisition County Reimbursement Fund to the extent necessary for paying tax revenue reimbursements to counties under ORS 530.175.

(c) Third, for such other purposes as are necessary in carrying out ORS 530.010 to 530.110. [Amended by 1953 c.65 §5; 1957 c.83 §14; 1965 c.317 §6; 1965 c.423 §2; 1969 c.428 §1; 1991 c.459 §423; 1991 c.876 §1; 1997 c.249 §180; 2007 c.911 §8; 2009 c.831 §10]

**Note:** The amendments to 530.110 by section 11, chapter 831, Oregon Laws 2009, become operative July 1, 2013. See section 12, chapter 831, Oregon Laws 2009. The text that is operative on and after July 1, 2013, is set forth for the user's convenience.

**530.110.** (1) All revenues derived from lands acquired without cost to the state, or acquired from counties pursuant to ORS 530.030, shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used in accordance with the following distribution:

(a) Fifteen percent shall be credited to the State Forests Protection Subaccount of the State Forestry Department Account until the amount in such subaccount reaches $475,000. Thereafter, the revenues shall be disposed of as stated in paragraphs (b) and (c) of this subsection, unless needed to maintain the $475,000 level. All moneys in the State Forests Protection Subaccount are continuously appropriated to the State Forester who may use such money under the following priorities:

(A) First, in addition to or in lieu of other moneys available, to pay the cost of protection, as determined under ORS 477.270, for lands acquired under ORS 530.010 to 530.040.

(B) Second, to provide moneys needed for activities authorized by subsection (3) of this section.

(C) From remaining moneys, to pay costs incurred in the suppression of fire originating on or spreading from an operation area, as defined in ORS 477.001, on state-owned forestland acquired under ORS 530.010 to

530.040. The State Forester shall make payments with approval of the State Board of Forestry for such fire suppression costs, except that no payments shall be made for such costs or portion thereof when other parties are responsible under law or contracts for the payment of such costs.

(b) Seventy-five percent of all such revenues remaining after the percentage disposed of as stated in paragraph (a) of this subsection, shall be disposed of as provided in ORS 530.115.

(c) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated in paragraph (a) of this subsection, shall be used for the purposes set out in subsection (3) of this section.

(2) Except as provided in ORS 530.147 and 530.280, all revenues from lands other than lands designated in subsection (1) of this section, acquired under ORS 530.010 to 530.040, shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used in accordance with the following distribution:

(a) Until each legal subdivision of the lands has been credited with an amount equal to the purchase price thereof, the revenues shall reimburse the State Forestry Department Account. If sufficient revenue to reimburse the State Forestry Department Account is not generated from the purchased parcels within five years from the date of acquisition, the State Forester, with the consent of the affected county, shall deduct all or portions of the unreimbursed purchase costs from the revenue distributed to that county in accordance with ORS 530.115 (1). After the State Forestry Department Account has been reimbursed for the purchase price of the lands, the revenue from the lands shall be distributed according to the formula specified in paragraphs (b), (c) and (d) of this subsection.

(b) The percentage required under subsection (1)(a) of this section shall be credited to the State Forests Protection Subaccount, and the revenues shall be disposed of as stated in paragraphs (c) and (d) of this subsection.

(c) Seventy-five percent of all such revenues remaining after paragraphs (a) and (b) of this subsection have been complied with, shall be disposed of as provided in ORS 530.115.

(d) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated in paragraphs (a) and (b) of this subsection, shall be used for the purposes set out in subsection (3) of this section.

(3) Unless otherwise consented to in advance and in writing by the counties from which the state has acquired lands without cost to the state or pursuant to ORS 530.130, the moneys in the State Forestry Department Account derived from those percentages of revenues set out in subsections (1)(c) and (2)(d) of this section shall be used exclusively for the following purposes and in the following order:

(a) First, for the payment of bond related costs for bonds issued under ORS 530.140 prior to July 28, 2009.

(b) Second, to the Forest Acquisition County Reimbursement Fund to the extent necessary for paying tax revenue reimbursements to counties under ORS 530.175.

(c) Third, for such other purposes as are necessary in carrying out ORS 530.010 to 530.110.

**530.115 Disposition of certain moneys described in ORS 530.110; disposition of forest product rehabilitation revenues.** (1) Except as set forth in subsection (2) of this section, moneys described in ORS 530.110 (1)(b) and (2)(c) shall be credited to the county in which the lands are situated and shall be paid quarterly to the county by a warrant drawn as provided by law, pursuant to claim therefor, duly approved by the State Board of Forestry. Payment shall be made on or before the last day of each month following the end of the calendar quarters ending on March 31, June 30, September 30 and December 31. Money received under this subsection by the county shall be applied in the following order:

(a) The county general fund shall be reimbursed for all costs and expenses incurred by the county in the maintenance and supervision of such lands and in any suits by it to quiet its title to lands conveyed to the state; provided that the proceeds so applied shall not be less than 10 percent of the total proceeds received.

(b) Twenty-five percent of the remainder of the money shall be credited and paid into the county school fund created under ORS 328.005.

(c) The remainder of the money shall be by the county prorated and apportioned to the various taxing districts in which the lands are situated in the proportion that the rate of tax levy in each district as shown by the tax levy filed with the assessor for the last year in process of collection, bears to the total rate of tax levy of all such taxing bodies for such year.

(2) After payment of the principal and interest of each bond issue issued pursuant to ORS 530.210 to 530.280, 20 percent of the moneys derived from forest products created through expenditures of moneys available from such bond issue shall be credited to the General Fund until the state is reimbursed for its costs under the bond issue in that county. However, the governing body of the county in its discretion may authorize a higher percentage of that county's allocation for any year to be so credited to the General Fund. [1969 c.428 §3; 1969 c.595 §16; 1973 c.436 §2; 1977 c.840 §17]

**530.120 Account of receipts from lands acquired; annual statement to county.** The State Board of Forestry shall keep an accurate account, by legal subdivisions, of all receipts from lands acquired under the provisions of ORS 530.010 to 530.040 and shall credit to each legal subdivision the revenues derived therefrom. The board shall render annually to each county in which lands acquired under the provisions of ORS 530.010 to 530.040 are situated, a statement, by legal subdivisions, showing the revenues derived from each of such legal subdivisions.

**530.130 Issuance of revenue bonds to acquire lands.** (1) In compliance with the applicable provisions of ORS chapter 286A, the State Board of Forestry may request the State Treasurer to issue the revenue bonds

described in ORS 530.140 to acquire any lands as provided in ORS 530.010 and to sell revenue bonds under ORS 530.140 in the manner the State Treasurer deems advisable. The net proceeds derived from the sale of the revenue bonds, after the payment of bond-related costs, shall be paid into the State Treasury and credited to the State Forestry Department Account to be used exclusively for the purpose of acquiring lands as provided by ORS 530.010 and 530.025. The State Forestry Department may establish one or more subaccounts, as it determines are desirable for administration of the net proceeds, in the State Forestry Department Account.

(2) Subject to any management plan adopted under ORS 526.905 for the lands, the board may make covenants related to the operation, use and sale of, or revenues derived from, lands acquired with proceeds of the revenue bonds that the board determines after consultation with the State Treasurer to be necessary or desirable for repayment of the bonds.

(3) Any lands proposed to be acquired under subsection (1) of this section shall be appraised by the State Board of Forestry and the appraisal shall be approved by the Department of State Lands prior to the acquisition of the lands. [Amended by 1957 c.83 §15; 1959 c.209 §1; 1975 c.614 §17; 1981 c.660 §43; 2007 c.783 §213; 2009 c.831 §13]

**530.140 Forest development revenue bonds.** (1) The State Board of Forestry may request the State Treasurer to sell revenue bonds of the State of Oregon, to be known as Oregon forest development revenue bonds, in an amount authorized under ORS 286A.035. The bonds shall not constitute a general obligation of the state, nor be a lien on any of the lands acquired by the state under ORS 530.010.

(2) The bonds shall bear interest at a rate to be determined by the State Treasurer. [Amended by 1957 c.83 §16; 2007 c.783 §213a]

**530.143 Revenue bond refunding.** Revenue bonds issued under ORS 530.140 may be refunded as provided under ORS chapter 286A. [2009 c.831 §5]

**530.147 Forest Development Revenue Bond Fund.** (1) The Forest Development Revenue Bond Fund is established separate and distinct from the General Fund. Interest earned by the Forest Development Revenue Bond Fund shall be credited to the fund. Moneys in the fund may be invested as provided in ORS 286A.025 and 293.701 to 293.820. All moneys in the fund are continuously appropriated to the State Board of Forestry for the purposes of paying bond-related costs when due on the revenue bonds issued under ORS 530.140 on or after July 28, 2009.

(2) The Forest Development Revenue Bond Fund may be credited with:

(a) Moneys deposited in the fund from the State Forestry Department Account, to the extent that the State Forestry Department allocates proceeds from the sale of revenue bonds issued on or after July 28, 2009, under ORS 530.140 to the payment of bond-related costs;

(b) Proceeds from the disposal of lands acquired with revenue bonds that were issued on or after July 28, 2009, under ORS 530.140;

(c) Proceeds from the disposal of forest products, as defined in ORS 532.010, minerals or other forest-related values derived from the lands acquired with revenue bonds that were issued on or after July 28, 2009, under ORS 530.140; and

(d) Gifts, grants or any other unrestricted moneys paid to the State Forestry Department or the State Board of Forestry or appropriated by the Legislative Assembly that may be used for the purpose set forth in this section.

(3) The board or the State Forester may make covenants related to, or pledge moneys deposited in, the fund that the board or forester, after consultation with the State Treasurer, determines to be necessary or desirable for the repayment of revenue bonds and the payment of bond-related costs. [2009 c.831 §4]

**530.150** [Amended by 1957 c.83 §17; 1975 c.614 §18; repealed by 2009 c.831 §19]

**530.160** [Amended by 1957 c.83 §18; repealed by 2009 c.831 §19]

**530.170 Disposition of revenues from lands acquired under former statute.** Revenues from lands acquired by the state pursuant to section 5, chapter 478, Oregon Laws 1939, shall be disposed of as provided by law at the time of such acquisition. However, the county court or board of county commissioners of any county from which such lands were acquired may, by resolution duly made and entered, and delivery of a certified copy thereof to the State Board of Forestry, elect to have such revenues disposed of as provided in ORS 530.110 (1). [Amended by 1957 c.83 §19; 2007 c.71 §173]

**530.175 Forest Acquisition County Reimbursement Fund.** (1) The Forest Acquisition County Reimbursement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Forest Acquisition County Reimbursement Fund shall be credited to the fund. Moneys in the Forest Acquisition County Reimbursement Fund are contin-

uously appropriated to the State Forestry Department for use as provided in this section.

(2) The fund shall consist of moneys deposited in the fund pursuant to ORS 530.110 (3).

(3) If the department uses proceeds from bonds issued on or after July 28, 2009, under ORS 530.140 or 530.210 to 530.280, or from lottery bonds that were issued on or after July 28, 2009, to acquire land that immediately prior to acquisition by the department was subject to taxation by a county, the department shall make payments as provided in this section to reimburse the county for the loss of tax revenue from the acquired land. The amount paid to a county under this section shall be the amount by which the tax revenue to the county for the last year in which the acquired land was taxable exceeds the amounts distributed to the counties under ORS 530.110 (1)(b) or (2)(c) from revenue generated by that land. However, if in any year the amounts distributed under ORS 530.110 (1)(b) or (2)(c) from revenue generated by the acquired land equals or exceeds the tax revenue to the county for the last year in which the acquired land was taxable, payments under this section in regard to that land shall terminate and not resume. [2009 c.831 §8]

**Note:** Section 15, chapter 906, Oregon Laws 2009, is substantially the same as ORS 530.175. Section 15, chapter 906, Oregon Laws 2009, provides:

**Sec. 15.** (1) The Forest Acquisition County Reimbursement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Forest Acquisition County Reimbursement Fund shall be credited to the fund. Moneys in the Forest Acquisition County Reimbursement Fund are continuously appropriated to the State Forestry Department for use as provided in this section.

(2) The fund shall consist of moneys deposited in the fund pursuant to ORS 530.110 (3).

(3) If the department uses proceeds from bonds issued on or after the effective date of this 2009 Act [August 4, 2009] under ORS 530.140 or 530.210 to 530.280, or from lottery bonds that were issued on or after the effective date of this 2009 Act, to acquire land that, immediately prior to acquisition by the department, was subject to taxation by a county, the department shall make payments as provided in this section to reimburse the county for the loss of tax revenue from the acquired land. The amount paid to a county under this section shall be the amount by which the tax revenue to the county for the last year in which the acquired land was taxable exceeds the total amount distributed to the counties under ORS 530.110 (1)(b) and (2)(c) from revenue generated by that land. However, if in any year the total amount distributed under ORS 530.110 (1)(b) and (2)(c) from revenue generated by the acquired land equals or exceeds the tax revenue to the county for the last year in which the acquired land was taxable, payments under this section in regard to that land shall terminate and not resume. [2009 c.906 §15]

**Note:** 530.175 and 530.180 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 530 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**530.180 State Forest Acquisition Fund.** The State Forest Acquisition Fund is established in the State Treasury, separate and distinct from the General Fund. The moneys in the State Forest Acquisition Fund and the interest earnings on moneys in the fund are continuously appropriated to the State Board of Forestry for the purpose of acquiring parcels in the Gilchrist area of Klamath County for use as state forestland. [2009 c.831 §7]

**Note:** Sections 13 and 14, chapter 906, Oregon Laws 2009, provide:

**Sec. 13.** (1) For the biennium beginning July 1, 2009, at the request of the Oregon Department of Administrative Services, after the department consults with the State Board of Forestry, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of $15,000,000 for the purpose described in subsection (2) of this section, plus an additional amount, to be estimated by the State Treasurer, for the payment of bond-related costs.

(2) Notwithstanding ORS 526.060, the net proceeds of lottery bonds issued pursuant to this section shall be deposited in the State Forest Acquisition Fund established under section 14 of this 2009 Act for the purpose of acquiring parcels in the Gilchrist area of Klamath County for use as state forestland.

(3) The Legislative Assembly finds that:

(a) The Gilchrist area of Klamath County is an economically stressed region;

(b) State acquisition of parcels located in the Gilchrist area of Klamath County for management as state forestland would produce economic benefits for the area, including but not limited to income from the harvest of forest products and direct employment and economic benefit from processing harvested forest products;

(c) State acquisition of parcels in the Gilchrist area of Klamath County and management of those parcels as state forestland will result in increased employment in the tourism industry and other industries related to the development of recreational attractions on the parcels;

(d) There exists a substantial risk that failure to acquire certain parcels in the Gilchrist area of Klamath County for use as state forestland will result in the parcels being converted to nonforest use, resulting in the loss of existing forest industry jobs and existing jobs in related industries in the area; and

(e) The use of lottery bond proceeds as provided in this section will encourage and promote economic development within Oregon, and issuance of lottery bonds for the purpose described in this section is therefore an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510. [2009 c.906 §13]

**Sec. 14.** The State Forest Acquisition Fund is established in the State Treasury, separate and distinct from the General Fund. The State Forest Acquisition Fund shall consist of moneys deposited in the fund under section 13 of this 2009 Act. The moneys in the State Forest Acquisition Fund and the interest earnings on moneys in the fund are continuously appropriated to the State Board of Forestry for the purpose of acquiring parcels in the Gilchrist area of Klamath County for use as state forestland. [2009 c.906 §14]

**Note:** See second note under 530.175.

## FOREST REHABILITATION ACT

**530.210 Definitions for ORS 530.210 to 530.280.** When used in ORS 530.210 to 530.280, unless the context clearly would be otherwise:

(1) "Bonds" are the general obligation bonds of the State of Oregon issued pursuant to Article XI-E, Oregon Constitution.

(2) "Forestland" is any land suitable for the production of forest crops. [Amended by 1955 c.115 §1]

**530.220 Oregon Forest Rehabilitation Act.** ORS 530.210 to 530.280 shall be known as the Oregon Forest Rehabilitation Act.

**530.230 Issuance of general obligation bonds.** In order to provide funds for the purposes specified in Article XI-E of the Oregon Constitution, the State Board of Forestry may request the State Treasurer to issue bonds in accordance with the provisions of ORS chapter 286A. [Amended by 1981 c.660 §44; 2007 c.783 §214; 2009 c.831 §14]

**530.240 Use of proceeds from general obligation bonds.** The net proceeds, after payment of bond-related costs, arising from the sale of each issue of bonds under ORS 530.210 to 530.280 shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used exclusively for the rehabilitation, reforestation, management and development of state-owned forestlands and the acquisition of lands for said purposes. Moneys acquired under ORS 530.230 shall be in addition to and not in lieu of moneys regularly appropriated or otherwise made available to the State Board of Forestry for the administration, management and protection of state forestlands. The State Forestry Department may establish one or more subaccounts, as the department determines are desirable for administration of the net proceeds arising from the sale of each issue of bonds, in the State Forestry Department Account. [Amended by 1957 c.83 §20; 2009 c.831 §15]

**530.250 State Forester to rehabilitate state forestlands; assistants, equipment and contracts; rules.** (1) The State Forester, under the direction of the State Board of Forestry, shall rehabilitate, reforest and develop state-owned forestlands so as to secure the highest permanent usefulness to the whole people of the state. In the management and control of such land, the State Forester may employ assistants and such other help as in the judgment of the State Forester may be necessary and may purchase machinery, equipment and supplies required to accomplish the purposes hereof. The State Forester may enter into any and all contracts, in the name of the board, deemed necessary for the rehabilitation, reforestation and development of said lands.

(2) The board shall carry out the provisions of ORS 530.210 to 530.280 and may promulgate such rules and regulations and do any other act or thing necessary to meet fully the requirements of such sections.

**530.255 Hardwood species for reforestation.** (1) When making reforestation plans for state-owned or state-managed lands the State Forester, insofar as edaphic conditions permit, shall select suitable hardwood species as well as coniferous species.

(2) Silvicultural practices shall have as their objective the maintenance or improvement of forest health and soil fertility and the production of a continuous supply of coniferous and hardwood timber consistent with sound management of fish, wildlife, recreational and watershed values. [1993 c.346 §2]

**530.260** [Amended by 1975 c.462 §15; repealed by 1981 c.660 §18]

**530.270** [Repealed by 1981 c.660 §18]

**530.280 State Forestry General Obligation Bond Fund.** (1) The State Forestry General Obligation Bond Fund is established separate and distinct from the General Fund. Interest earned by the State Forestry General Obligation Bond Fund shall be credited to the fund. Moneys in the fund may be invested as provided in ORS 286A.025 and 293.701 to 293.820. All moneys in the State Forestry General Obligation Bond Fund are continuously appropriated to the State Forestry Department for the purposes of paying bond-related costs when due on the general obligation bonds issued under Article XI-E of the Oregon Constitution. However, an agreement for exchange of interest rates may not be paid from moneys derived under paragraph (a) of this subsection or from General Fund moneys appropriated under paragraph (d) of this subsection to fulfill a pledge of the full faith and credit of the state set forth in Article XI-E of the Oregon Constitution. The State Forestry General Obligation Bond Fund shall consist of the following:

(a) All moneys derived from taxes levied under ORS 291.445;

(b) All moneys derived from the sale, exchange or use of land acquired pursuant to ORS 530.240;

(c) Except as provided in ORS 530.115, all moneys received from the disposal of forest products created through expenditures of moneys available under ORS 530.210 to 530.280 for reforestation; and

(d) Any moneys that may be appropriated to the fund by the Legislative Assembly.

(2) The moneys referred to in subsection (1)(b) and (c) of this section shall be set aside

for State Forestry General Obligation Bond Fund purposes until there are no longer any bonds issued under ORS 530.210 to 530.280 outstanding. If no bonds issued under ORS 530.210 to 530.280 are outstanding, the moneys described in subsection (1)(b) and (c) of this section shall be disposed of using the distribution formula described in ORS 530.115 (1)(a) to (c). [Amended by 1955 c.115 §2; 1957 c.83 §21; 1967 c.335 §52; 1969 c.428 §4; 1991 c.220 §14; 1999 c.59 §168; 2009 c.831 §16]

**530.290** [Repealed by 1991 c.220 §15]

**530.300** [Amended by 1955 c.115 §3; repealed by 1969 c.428 §5]

**530.410** [Amended by 1955 c.121 §1; repealed by 1957 c.240 §10]

**530.420** [Repealed by 1957 c.240 §10]

**530.430** [Amended by 1953 c.76 §2; 1955 c.121 §2; repealed by 1957 c.240 §10]

**530.440** [1955 c.121 §3; repealed by 1957 c.240 §10]

## ELLIOTT STATE FOREST; COMMON SCHOOL FOREST LANDS

**530.450 Withdrawal from sale of Elliott State Forest.** Any lands in the national forests on February 25, 1913, selected by, and patented to, the State of Oregon, for the purpose of establishing a state forest, hereby are withdrawn from sale except as provided in ORS 530.510. The state forest shall be known as the Elliott State Forest. [1957 c.240 §1]

**530.460 Lands suited for growing forest products to be designated Common School Forest Lands and withdrawn from sale.** (1) The Department of State Lands and the State Board of Forestry shall designate and set aside those lands owned by the State of Oregon, under the jurisdiction of the Department of State Lands, which are primarily suited for the growing of timber and other forest products.

(2) The state-owned lands shall be designated and set aside pursuant to ORS 530.470 and 530.480, and when so designated and set aside, shall be known as the Common School Forest Lands and hereby are dedicated for the primary purposes stated in subsection (1) of this section and shall be withdrawn from sale except as provided in ORS 530.450 to 530.520. [1957 c.240 §2; 1967 c.396 §5]

**530.470 Determination of lands to be designated Common School Forest Lands.** (1) Periodically as is necessary, the Department of State Lands and the State Board of Forestry shall proceed to designate and set aside Common School Forest Lands as rapidly as forestry data and information are obtained from field examinations of the lands eligible for dedication under ORS 530.450 to 530.520.

(2) Any lands so designated and set aside may, at any time, be returned to their original status by similar actions of said agencies, if said lands are to be used for higher and better use for the general public, including the sale of said lands where lawful. [1957 c.240 §3; 1967 c.396 §6]

**530.480 Legal descriptions of lands; resolutions of State Land Board and State Board of Forestry.** As the Common School Forest Lands are determined as required by ORS 530.450 to 530.520, such lands shall be described by legal subdivision. The State Land Board and the State Board of Forestry, respectively in their regular meetings, shall by separate board resolutions designate and set aside such lands as a part of the Common School Forest Lands; lands in the Elliott State Forest, as determined by ORS 530.450, shall be similarly described and reserved. A copy of each board resolution certified by the Director of the Department of State Lands or the State Forester, respectively, together with the description of the lands involved, shall be filed with the Secretary of State, who shall keep such copies and descriptions in conjunction with the auditing records of the State Forestry Department Account. [1957 c.240 §4; 1969 c.594 §58]

**530.490 Management, control and protection of Common School Forest Lands and Elliott State Forest; easements.** (1) Notwithstanding the provisions of any other law, or authority granted thereunder, after the State Board of Forestry and State Land Board resolutions and legal descriptions are filed with the Secretary of State as required by ORS 530.480, the State Forester hereby shall be authorized, 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. Also, notwithstanding the provisions of any other law, or authority granted thereunder, the State Forester hereby is authorized, under the supervision of the State Board of Forestry and the regulations of that board, to manage, control and protect the Elliott State Forest Lands. In each instance the State Forester shall manage, control and protect such forests and forestlands so as to secure the greatest permanent value of the lands to the whole people of the State of Oregon, particularly for the dedicated purposes of the lands and the common schools to which the resources of the lands are devoted.

(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 supersede the authority of the Department of State Lands to grant easements on or leases for the Common School Forest Lands and Elliott State Forest Lands for grazing purposes or for the exploration and development of minerals, oil or gas, and any consideration received by the Department of State Lands therefor shall be excepted from the provisions of ORS 530.520. However, the Department of State Lands shall cooperate with the forestry program of the State Forester in granting such easements and leases and make provisions therein for continuing the primary purposes for which such land has been dedicated. [1957 c.240 §5; 2007 c.71 §174]

**530.500 Authority of State Forester in management, protection, utilization and conservation of lands and waters; rules.** In order to accomplish the purposes of ORS 530.490, the State Forester may:

(1) Protect the lands from fire, disease and insect pests, cooperate with the counties and with persons owning lands within the state in the protection of the lands and enter into all agreements necessary or convenient for the protection of the lands.

(2) Enter into and administer contracts for the sale of timber from lands owned or managed by the State Board of Forestry and the State Forestry Department.

(3) Permit the use of the lands for other purposes, including but not limited to fish and wildlife environment, landscape effect, protection against flood and erosion, recreation and production and protection of water supplies when the use is not detrimental to the purpose for which the lands are dedicated.

(4) Contract with other governmental bodies for the protection of water supplies to facilitate the multiple use of publicly owned water supplies for recreational purposes as well as a source of water for domestic and industrial use.

(5) Grant permits and licenses on, over and across the lands.

(6) Reforest the lands and cooperate with persons owning timberlands within the state in the reforestation, and make all agreements necessary or convenient for the reforestation.

(7) Establish a forestry carbon offset program to market, register, transfer or sell forestry carbon offsets. In establishing the program, the forester may:

(a) Execute any contracts or agreements necessary to create opportunities for the creation of forestry carbon offsets; and

(b) Negotiate prices that are at, or greater than, fair market value for the transfer or sale of forestry carbon offsets.

(8) Do all things and make all rules and regulations, not inconsistent with law, necessary or convenient for the management, protection, utilization and conservation of the lands.

(9) Require such undertakings as in the opinion of the State Forester are necessary or convenient to secure performance of any agreement authorized in ORS 530.450 to 530.520. [1957 c.240 §6; 1959 c.141 §2; 1967 c.396 §7; 1969 c.194 §1; 2001 c.752 §9; 2005 c.103 §38]

**530.510 Exchanges of land.** The State Forester may propose and initiate any exchange 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:

(1) Any exchange of land of the Elliott State Forest must be for the consolidation of the forest;

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

(3) The county court or board of county commissioners of the county, or counties, in which such land is situated, shall approve such exchange, and after such approval the exchanges shall be consummated by legal conveyance from the Department of State Lands.

(4) 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. [1957 c.240 §9; 1959 c.141 §5; 1967 c.396 §8; 1969 c.194 §2; 1969 c.594 §59]

**530.520 Use of receipts; manner of paying administrative expenses.** (1) Excepting receipts from the easements and leases designated in ORS 530.490 (3), all receipts from the Elliott State Forest and the Common School Forest Lands shall be paid into the Common School Fund and are continuously appropriated to the Department of State Lands for the purposes for which other moneys in the Common School Fund may be

used and to reimburse the Common School Forest Revolving Fund as provided in 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 State Forester for the payment of administrative expenses incurred by the State Forester in the management, control and protection of the Elliott State Forest and the Common School Forest Lands and in processing the sale of forest products and the disposal of privileges under ORS 530.500. The revolving fund shall be reimbursed at least once each month by submission to the Department of State Lands of a claim for payment approved by the State Forester and payment of the claim to the revolving fund out of the Common School Fund, that payment representing a portion of receipts paid into the Common School Fund under subsection (1) of this section.

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

(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. [1957 c.240 §7; 1967 c.421 §203; 1975 c.614 §19; 1977 c.167 §1; 1989 c.966 §59]

## COMMUNITY FOREST AUTHORITIES

**530.600 Definitions for ORS 530.600 to 530.628.** As used in ORS 530.600 to 530.628, unless the context requires otherwise:

(1) "Authority" means a community forest authority created under ORS 530.606.

(2) "Board" means the board of directors of a community forest authority.

(3) "Community forestlands" means private lands that are zoned and permanently managed for commercial forestland use and any interests in those private lands, including related roads or other improvements financed by a community forest authority.

(4) "Municipality" means a city or county. [2005 c.500 §1]

**Note:** 530.600 to 530.628 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 530 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**530.602 Findings.** To provide the people of the State of Oregon with renewable commercial forest resources that promote community stability and sound conservation practices, the Legislative Assembly finds that it is necessary and desirable to authorize the creation of community forest authorities having the power to finance community forestlands and to authorize those authorities to issue revenue bonds and other obligations for that purpose. [2005 c.500 §2]

**Note:** See note under 530.600.

**530.604 Community forest authorities.** The governing body of a municipality may create a community forest authority under ORS 530.606. An authority may issue obligations on behalf of the municipality creating the authority to finance community forestlands. An authority may not be created or maintained for a purpose other than to finance community forestlands as described in ORS 530.600 to 530.628. [2005 c.500 §3]

**Note:** See note under 530.600.

**530.606 Creation of authority; modification; dissolution.** (1) Upon the written request of three individuals or upon its own motion, the governing body of a municipality may create a community forest authority for the purpose of financing community forestlands.

(2) The governing body of a municipality may create a community forest authority by ordinance or resolution adopted following a public hearing held according to the laws of the municipality. The ordinance or resolution shall set forth:

(a) The name of the authority.

(b) The number of directors of the authority.

(c) The term of office of the directors.

(d) Other provisions that the governing body determines are necessary and appropriate and not inconsistent with the provisions of ORS 530.600 to 530.628.

(3) Upon adoption of an ordinance or resolution creating a community forest authority, the authority is deemed created.

(4) A community forest authority created under this section has the power and au-

thority necessary to perform its duties under ORS 530.600 to 530.628.

(5) The governing body that creates a community forest authority under this section may, at its sole discretion:

(a) Alter or change the structure, organization, programs or activities of the authority, subject to any limitations imposed by law or contract; and

(b) Dissolve the authority at any time if the authority has no outstanding revenue bonds or other obligations or if the authority makes arrangements regarding outstanding revenue bonds or other obligations that are satisfactory to creditors. [2005 c.500 §4]

**Note:** See note under 530.600.

**530.608 Board of directors of authority; officers; terms; rules.** (1) The governing body of a municipality that creates a community forest authority under ORS 530.606 shall appoint a board of directors containing not fewer than five nor more than 11 directors to manage and control the authority. At least one-third of the directors must represent conservation interests. At least one-third of the directors must represent business interests and one director must serve as a member of the governing body that created the authority. The balance of the directors must be members of the public. A director who is a member of the governing body that created the authority shall serve as a director only as long as that director is a current member of the governing body.

(2) The term of office of directors of an authority may not exceed four years and the directors serve at the pleasure of the governing body of the municipality.

(3) The directors of an authority serve without compensation but may be reimbursed for expenses incurred in the performance of their duties.

(4) The board of directors of an authority shall adopt rules for conducting meetings and carrying out the duties of the board. Decisions of the board must be recorded in a minute book that is a public record. A majority of the directors of the board constitutes a quorum for the transaction of business and a majority of directors present and voting is sufficient for the passage of a motion or a resolution.

(5) The board may employ and compensate employees, bond counsel, financial advisors, feasibility consultants, accountants, attorneys or other advisors that the board deems necessary and appropriate. [2005 c.500 §5]

**Note:** See note under 530.600.

**530.610 Levy of taxes prohibited.** A community forest authority created under ORS 530.606 does not have the power or authority to levy taxes. [2005 c.500 §6]

**Note:** See note under 530.600.

**530.612 Powers of authority.** Except as otherwise provided in ORS 530.610, a community forest authority shall have the power necessary to accomplish the purpose of financing community forestlands under ORS 530.600 to 530.628, including the power to:

(1) Sue and be sued in its own name.

(2) Enter into agreements relating to the operation of community forestlands upon terms and conditions the board deems appropriate.

(3) Borrow money by issuing notes, revenue bonds or other revenue obligations for the purpose of carrying out its powers.

(4) Mortgage, assign and pledge its assets, or a portion of its assets, whether then owned or thereafter acquired, to pledge and assign the revenues and receipts from the assets, to acquire, hold and dispose of mortgages or other similar documents relating to community forestlands and to arrange and provide for guarantees and other security agreements.

(5) Lend money to a nonprofit corporation for the acquisition, furnishing or extension of and improvements to community forestlands.

(6) Enter into contracts, leases and other undertakings in its own name.

(7) Adopt and amend ordinances and resolutions. [2005 c.500 §7]

**Note:** See note under 530.600.

**530.614 Authorization to issue bonds or other obligations; method of issuance.** (1) To accomplish its purposes, a community forest authority created under ORS 530.606 may issue revenue bonds or other revenue obligations payable from the revenues derived from the repayment of loans to nonprofit corporations whose purpose is to own and operate community forestlands. The issuance of revenue bonds or other revenue obligations is governed by the provisions of this section and is not subject to the prior approval of the electors of the municipality that created the authority.

(2) An authority may issue and sell revenue bonds or other revenue obligations payable as to principal and interest only out of the fund or funds established under this section or other assets of the authority that are pledged by the board of directors to secure the revenue bonds or other revenue obligations. The bond resolution:

(a) Must specify the public purposes for which the proceeds of the revenue bonds or

other revenue obligations will be expended and declare the estimated cost of carrying out those purposes.

(b) Must contain covenants and provide for the issuance and sale of revenue bonds or other revenue obligations in a form, amount and manner that the directors determine. In declaring the estimated cost, the directors may include the moneys necessary for working capital, reserves, capitalized interest, the payment of financing and legal expenses, the repayment of advances and the start-up costs.

(c) May provide that community forestlands subsequently acquired by a nonprofit corporation shall be deemed betterments or additions to, or extensions of, the community forestlands, whether or not physically connected.

(d) Must provide for the establishment of one or more special funds under the control of the board or a trustee.

(e) Must obligate the authority to deposit and expend the proceeds of the revenue obligations only into and from the fund or funds established under this section and to set aside and pay into the fund or funds a fixed proportion or fixed amount of the revenues derived from the community forestlands or other corporate activities as the board finds in the best interest of the authority and the payment of its obligations.

(3) A revenue bond or other revenue obligation issued against a fund or funds established under this section is a valid claim of the holder only as against the fund or funds, the proportion or amount of the revenues pledged to the fund or funds and the other assets pledged, assigned or encumbered by the authority to secure the revenue bond or other revenue obligation. Each revenue bond or other revenue obligation must state on its face that:

(a) The bond or obligation is payable from a special fund or funds and name the fund or funds and the resolution that established the fund or funds; or

(b) That the bond or obligation is payable from other assets and identify those other assets and the resolution pledging, assigning or encumbering them.

(4) A pledge, assignment or encumbrance of revenues or other moneys or obligations or other assets made by an authority shall be valid and binding from the time that the pledge or assignment is made against a party with a subsequent claim of any kind in tort, contract, or otherwise against the authority, irrespective of whether the party has actual notice of the pledge, assignment or encumbrance. The pledge, assignment or encumbrance must be noted in the board's minute book or bond transcripts, which shall be constructive notice thereof to all parties, and neither the resolution nor other instrument by which a pledge, assignment or encumbrance is created need be otherwise recorded, nor shall the filing of a financing statement under the Uniform Commercial Code be required to perfect the pledge, assignment or encumbrance. Revenues or other moneys or assets pledged, assigned or encumbered and later received by an authority are subject to the lien of the pledge immediately without physical delivery or further act.

(5) A revenue bond or other revenue obligation issued under the provisions of this section shall bear the date or dates, mature at the time or times, be in denominations and in a form, either coupon or registered or both, carry registration privileges, be made transferable, exchangeable and interchangeable, be payable in the medium, at the place or places, contain the covenants and be subject to the terms of redemption that the board may declare in the bond resolution.

(6) The revenue bonds or other revenue obligations issued by an authority may be sold by the board upon the terms and conditions and at the rate or rates of interest and for the price or prices that the authority deems most advantageous to the authority, with or without public bidding. The authority may make contracts for future sale from time to time of revenue bonds or other revenue obligations by which the contract purchasers are committed to the prices, terms and conditions stated in the contract, and the board may pay the consideration that the board deems proper for the commitments.

(7) The board by resolution may provide for the issuance of funding and refunding revenue bonds or other revenue obligations in order to take up and refund a series, or portion of a series, of outstanding revenue bonds or other revenue obligations at a time determined by the board. Refunding revenue bonds or other revenue obligations may be sold or exchanged at a price that the board determines is in the best interest of the authority.

(8) A revenue bond or other revenue obligation issued pursuant to this section is a legal security that may be used by any insured institution or trust company, as those terms are defined in ORS 706.008, for deposit with the State Treasurer or a county treasurer or city treasurer, as security for deposits in lieu of a surety bond under a law relating to deposits of public moneys and constitutes legal investments for public bodies, trustees and other fiduciaries, banks, savings and loan associations, and insurance companies. All revenue bonds and obligations and all coupons appertaining thereto shall be

negotiable instruments within the meaning of and for all purposes of the law of this state. [2005 c.500 §8]

**Note:** See note under 530.600.

**530.616 Authorization to borrow moneys or to issue, sell and assume bond anticipation notes.** A community forest authority created under ORS 530.606 may borrow from banks, investment banks or other lenders sums of money on terms that the board deems necessary or advisable. An authority may also issue, sell and assume bond anticipation notes or the equivalent that bear a date, mature at a time, be in denominations and in a form, be payable in a medium, at a place, and be subject to the terms of redemption that the board deems necessary or advisable. [2005 c.500 §9]

**Note:** See note under 530.600.

**530.618 Effect of bonds or other obligations on municipality.** Revenue bonds and other revenue obligations of a community forest authority created under ORS 530.606 are not a general obligation of the municipality nor a charge upon the tax revenues of the municipality. [2005 c.500 §10]

**Note:** See note under 530.600.

**530.620 Loan repayment.** The board of directors of a community forest authority created under ORS 530.606 shall establish loan repayment terms and other charges at least adequate to pay the principal of and interest on the obligations of the authority as the same become due, including payments to a special fund or funds, together with the financing and other costs of the authority. [2005 c.500 §11]

**Note:** See note under 530.600.

**530.622 Authorities may act jointly; limits on acquisition of forestlands.** (1) The powers and responsibilities provided in ORS 530.600 to 530.628 may be exercised and discharged by two or more community forest authorities acting jointly to effectuate the purposes of ORS 530.600 to 530.628. In addition, one or more community forest authorities may authorize by resolution, ordinance or agreement the issuance of revenue bonds or other revenue obligations on behalf of the authorities or to otherwise exercise the powers of an authority within the boundaries of the authorities.

(2) A community forest authority may not finance the acquisition of community forestlands located outside the boundaries of the municipality that created the authority without the written consent of each municipality in which the community forest is located. [2005 c.500 §12]

**Note:** See note under 530.600.

**530.624 Assets and income of authority exempt from taxation; exceptions.** (1) A community forest authority created under ORS 530.606 is deemed a municipal corporation performing a public function. An authority, all assets owned by the authority, the income earned by those assets and the interest earned by revenue bonds or other revenue obligations issued by an authority are exempt from taxation in the State of Oregon.

(2) Notwithstanding subsection (1) of this section:

(a) A municipality shall determine the extent to which community forestlands acquired or financed by an authority and located within the boundaries of the municipality are subject to property taxation.

(b) Real and personal property owned by the authority and leased to a third party is subject to property taxation if the property would be subject to taxation if owned by the lessee of the property.

(c) A district, as defined in ORS 198.010 or 198.180, may elect to continue imposing taxes on property within the district that is acquired or financed by an authority and is otherwise exempt from property taxation under this section without regard to the determination of a municipality under paragraph (a) of this subsection.

(3) Revenue bonds issued by an authority are deemed to be securities issued by a political subdivision of the State of Oregon. [2005 c.500 §13]

**Note:** See note under 530.600.

**530.626 Earnings in excess of amounts required for authority.** The earnings of a community forest authority created under ORS 530.606 in excess of the amount required for the retirement of indebtedness or the accomplishment of the purposes of ORS 530.600 to 530.628 shall not inure to the benefit of a person or body other than the municipality creating the authority. An authority may transfer, from time to time, to the municipality creating the authority any excess moneys not needed to pay the authority's expenses or to pay the authority's bonds or other obligations, and the municipality may use such transferred funds for any lawful purpose of the municipality. Upon dissolution of an authority, any asset remaining after provision for payment of the obligations and expenses of the authority becomes an asset of the municipality. [2005 c.500 §14]

**Note:** See note under 530.600.

**530.628 Application of laws to authority and to issuance of bonds.** (1) ORS 530.600 to 530.628 contain complete authority for the organization of a community forest authority and for the issuance and sale of

revenue bonds, including refunding revenue bonds, and other revenue obligations.

(2) ORS chapters 198, 279A, 279B and 294 do not apply to the organization of an authority and the issuance and sale of revenue bonds pursuant to ORS 530.600 to 530.628.

(3) Nothing in ORS 530.600 to 530.628 restricts or limits a power that an authority has under a law of this state or the charter of the municipality creating the authority except as explicitly provided in ORS 530.600 to 530.628. [2005 c.500 §15; 2007 c.71 §175]

**Note:** See note under 530.600.

## FOREST MANAGEMENT VIOLATIONS

**530.900 Disposition of fines and court costs.** All fines and court costs recovered from violations established under ORS 530.990 shall be paid to the clerk of the court involved. Such moneys shall be credited and distributed under ORS 137.290 and 137.295 as monetary obligations payable to the state. [1995 c.347 §4; 1999 c.1051 §107]

**530.990 Penalties for forest management violations.** (1) Except for violations arising from activities under contract with the State Board of Forestry or the State Forestry Department, and subject to ORS 153.022, violation of any rule or order adopted pursuant to ORS 530.050 is a Class A violation.

(2) Multiple violations of any rule or order adopted pursuant to ORS 530.050 shall be considered a single violation. However, each day a violation continues shall be considered a separate violation.

(3) Violations and punishments set forth in this section are in addition to and not in lieu of the provisions of ORS 164.305 to 164.335. [1995 c.347 §§2,3; 1999 c.1051 §108]

---

## CHAPTER 531

**[Reserved for expansion]**