

STATEMENT OF PURPOSE

RS29410 / #billnum

Increase the State Endowment's long term financial returns through added transparency and accountability in the management practices and processes employed by the Idaho Department of Lands (IDL), and to ensure appropriate capabilities to expertly manage the endowment within department staff.

FISCAL NOTE

This will have no direct impact on the general fund as any costs to hire ombudsman would be paid out of State Endowment revenues. There may be some increase to the endowment fund as added expertise and transparency over investments may lead to increased returns.

Contact:

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).



Sixty-sixth Legislature

LEGISLATURE OF THE STATE OF IDAHO



Second Regular Session - 2022

IN THE _____

BILL NO. _____

BY _____

AN ACT

RELATING TO THE DEPARTMENT OF LANDS; AMENDING SECTION 58-104A, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE LAND, MINERAL, AND GRAZING DIVISION OF THE DEPARTMENT AND TO MAKE TECHNICAL CORRECTIONS; AMENDING CHAPTER 1, TITLE 58, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 58-156, IDAHO CODE, TO PROVIDE FOR CERTAIN PRICE COMPARISONS AND TO PROVIDE FOR AN OMBUDSMAN; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 58-104A, Idaho Code, be, and the same is hereby amended to read as follows:

58-104A. THREE DIVISION HEADS -- DIRECTION AND CONTROL -- AREAS OF OPERATION -- QUALIFICATIONS -- APPLICATIONS. The director shall have power to appoint three (3) division heads who shall be known as administrators: one (1) to handle matters concerning lands, minerals and grazing; one (1) to handle matters concerning forestry and fire; and one (1) to handle matters of oil and gas conservation. The qualifications of the division administrators of the timber, real estate, minerals, and grazing divisions, along with any employees involved with endowment portfolio management or investment decisions within those divisions, shall be significant preexisting industry experience in those respective fields. The qualifications of the division administrator for real estate shall be possession of a current real estate appraiser's certification. The qualifications of the division administrator for forestry and fire shall be graduation from a full four (4) year college course with a bachelor's degree, with a major in forestry including five (5) years of technical experience in the forestry-land management field; or, ten (10) years of successful and progressive technical experience of forestry and land management activities of such a nature as to enable the applicant to perform his duties successfully at the professional level. The qualifications of the division administrator for oil and gas conservation shall be graduation from a full four (4) year college course with a bachelor's degree, with a major in geology or petroleum engineering including five (5) years of technical experience in the oil and gas management field; or, ten (10) years of successful and progressive technical experience of oil and gas conservation management activities of such a nature as to enable the applicant to perform his duties successfully at the professional level.

SECTION 2. That Chapter 1, Title 58, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 58-156, Idaho Code, and to read as follows:

58-156. PRICE COMPARISONS -- OMBUDSMAN. (1) The department shall, on a monthly basis, compare its average timber and mineral lease and sales

1 prices to the average private industry lease and sales prices to ensure the
2 endowment is meeting its constitutional mandate and avoiding exploitation
3 through price taking. This comparison will be reported monthly at each land
4 board meeting.

5 (2) An Idaho department of lands ombudsman shall be appointed by, and
6 serve at the pleasure of, the governor. The ombudsman shall:

7 (a) Ensure new department hires have significant industry experience
8 and make recommendations to the director;

9 (b) Provide all instructions to appraisers for leases, sales, and land
10 exchanges;

11 (c) Select, hire, oversee, and terminate private counsel to advise the
12 department when necessary; and

13 (d) Select, hire, oversee, and terminate independent outside experts
14 that evaluate leases, sales, and land exchanges.

15 (2) The salary for the ombudsman shall be paid out of the fund provided
16 for the department of lands.

17 (3) All land exchange applications shall be evaluated by the ombudsman
18 and, where any application for exchange exceeds ten thousand (10,000) acres,
19 an appraisal shall be mandatory, with the appraiser or other outside eval-
20 uation experts selected and overseen by the ombudsman. The ombudsman shall
21 compile such appraisals, along with any relevant outside evaluations deemed
22 necessary, and submit them to the land board.

23 SECTION 3. An emergency existing therefor, which emergency is hereby
24 declared to exist, this act shall be in full force and effect on and after
25 July 1, 2022.