

Department of State Lands
Chapter 141
Division 82
Newly proposed rule regarding financial assurances

141-082-XXXX

Financial Assurances Requirements

(1) The department may require an applicant or holder of a lease or registration to obtain a form of financial assurance acceptable to the department to ensure that the lessee will perform in accordance with all terms and conditions of the lease.

(2) The amount and type of financial assurance shall be determined by the department in consultation with the Department of Administrative Services Risk Management and shall be reasonable and within generally accepted business practices.

(3) All insurance providers are subject to the department's acceptance.

(4) The holder of a lease or registration must provide to the department proof of all coverages required prior to any activities occurring and prior to the department executing the lease or registration.

(5) If requested by the department, the applicant or holder shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to the department for verification of meeting the financial assurance requirements.

(6) With director approval, the department may require a surety bond when the applicant or holder of a lease or registration:

(a) is in default with any authorization or permit granted to them by the department;

(b) was previously sent a notice of deficiency or default by the department;

(c) cannot obtain another form of financial assurance due to market conditions;

(d) has current or past business, financial, or management practices that indicate they may not be able to fully meet the terms and conditions of a lease or registration offered by the department; or

(e) has active construction related to the authorized or proposed use occurring in, upon, under, or affecting the lease premises.

(7) A certificate of deposit equal to the amount required for financial assurance and that names the State of Oregon as co-owner may be substituted in lieu of the required financial assurance.