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NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 736

PARKS AND RECREATION DEPARTMENT

FILED: 05/28/2026 8:46 AM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Land and Water Conservation fund program changes

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 07/09/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:

Katie Gauthier
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 07/06/2026

TIME: 3:00 PM

OFFICER: Katie Gauthier

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-510-9678

SPECIAL INSTRUCTIONS:

registration required to attend: https://us06web.zoom.us/webinar/register/WN_tT7LztVYQAWcsXrm8UeSkw

NEED FOR THE RULE(S):

While the Land and Water Conservation Fund (LWCF) rules have generally functioned well, staff recognize a need to revise the allocation of funding between OPRD and other qualified agencies to better reflect current operational realities and program demands. As funding for the Local Government Grant Program increased due to changes in constitutionally dedicated lottery funding, demand for this program has decreased.

Under the proposed update, the department will institute a biennial grant funding schedule: at least one year of each biennium will feature a competitive grant round open to eligible applicants, while the alternate year all available funds will be dedicated solely to OPRD for eligible state park projects. The proposed structure does not limit the department to one competitive cycle per biennium; if OPRD does not require funding for state park projects, additional competitive grant cycles may be offered to local applicants. This change is necessary to address staff capacity constraints and to ensure that the agency can effectively respond to evolving project priorities and resource needs. By alternating the funding focus each year, OPRD will be able to maintain a robust and efficient grant program while also supporting critical state park initiatives.

The revised approach is informed by program administration experience over multiple grant cycles and a need for greater flexibility in managing funding allocations. It also enhances OPRD's ability to plan and implement projects that best serve public outdoor recreation interests.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Land and Water Conservation Fund State Assistance Program Manual" v2026

<https://www.nps.gov/subjects/lwcf/v2026.htm>

Statewide Comprehensive Outdoor Recreation Plan <https://www.oregon.gov/oprd/prp/pages/pla-scorp.aspx>

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

The proposed rule amendments do not have a direct or specific impact on racial equity in Oregon. The LWCF Grant program supports state and local government acquisition, development, rehabilitation, and planning of outdoor recreation areas, which may improve access to outdoor recreation opportunities for communities across the state, including undeserved and historically disadvantaged communities.

The proposed rule changes adjust the distribution of grants between for state and local agencies.

FISCAL AND ECONOMIC IMPACT:

The LWCF grant program provides financial assistance to state agencies and local governments across Oregon for the acquisition, development, rehabilitation, and planning of outdoor recreation areas. These investments support local recreation infrastructure, tourism, and visitor services, creating positive economic impacts for local communities and the state as a whole.

The proposed rule changes adjust the timing of allocation of funding and distribution between local governments and OPRD. The revised approach is informed by program administration experience over multiple grant cycles and a need for greater flexibility in managing funding allocations. It also enhances OPRD's ability to plan and implement projects that best serve public outdoor recreation interests.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) The Oregon Parks and Recreation Department is the main state agency directly affected by the proposed rules. Oregon Department of Forestry, Oregon Department of Fish and Wildlife and Department of State Lands have the opportunity to apply for these grant funds, but rarely have done so. Tribes and local governments in Oregon are the

eligible applicants for the LWCF Grant Program and are the primary units of local government affected by these rules. The proposed rule changes do not eliminate the grant opportunities, but change the timing of applications. Local governments and state agencies would only be eligible one time per biennium.

(2) (a), (b), and (c) Small businesses are not directly subject to the proposed rules, as they are not eligible applicants for the LWCF Grant Program. The program applies only to state and local governments seeking grant funding for outdoor recreation projects. As a result, the proposed rule changes are not expected to create reporting, recordkeeping, administrative, labor, equipment, supply, or professional service costs for small businesses.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

This rule does not specifically apply to small businesses. They may benefit as contractors hired by grant recipients, but are not eligible grant applicants.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Land and Water Conservation Fund grant advisory committee was consulted. This committee is comprised of local government leaders who are familiar with the program and potential applicants.

RULES PROPOSED:

736-008-0015, 736-008-0025, 736-008-0045

AMEND: 736-008-0015

RULE SUMMARY: updates version of federal program manual.

CHANGES TO RULE:

736-008-0015

Federal Requirements ¶

The Land and Water Conservation Fund Act of 1965, as amended, provides matching grants to states and local units of government for acquisition and development of public outdoor recreation areas and facilities. All applicants for federal funding assistance must also satisfy the requirements delineated in the "National Park Service's Land and Water Conservation Fund Grants State Assistance Program Manual; Volume 71 (March 2026, updated May 11, 2024)". ¶

[Publications: Publications referenced are available from the agency.]

Statutory/Other Authority: ORS 390.180

Statutes/Other Implemented: ORS 390.180

AMEND: 736-008-0025

RULE SUMMARY: outlines how available funding will be apportioned between state and local applicants

CHANGES TO RULE:

736-008-0025

Apportionment of Monies Between State and Local Agencies ¶¶

(1) Monies apportioned annually by the Department of Interior to the state from the federal Land and Water Conservation Fund shall be distributed, after covering administrative costs of the office of the State Liaison Officer to operate the program:¶¶

~~(a) No~~At less than 60 percent of the remainder to units of local government and federally recognized Indian tribes; and at once per biennium, the department shall solicit applications from eligible applicants to compete for LWCF funding assistance.¶¶

~~(b) Once per biennium, the department may utilize the LWCF apportionment for non-competitive LWCF funding assistance for eligible department projects.¶¶~~

~~(b2) Up to 40 percent of the remainder to eligible state agencies. The director shall have the discretion to redistribute to state or local projects, subject to the funds being available to the department by the Secretary of the Interior.¶¶~~

~~(2a) Monies derived from project underruns, project cancellations, reduction in project scope may be made available to t, and¶¶~~

~~(b) Funds that are not obligated after soliciting applications pursuant to section (1).¶¶~~

~~(3) The D~~director to redistribute to state or local projects, subject to the discretion of the Secretary of the Interior may assign 100 percent of an apportionment to eligible department projects. The director may decide the apportionment based upon SCORP priorities in effect at the time of application. The department would inform potential applicants.

Statutory/Other Authority: ORS 390.180

Statutes/Other Implemented: ORS 390.180

AMEND: 736-008-0045

RULE SUMMARY: updates matching requirements

CHANGES TO RULE:

736-008-0045

Application Procedure ¶

The purpose of this rule is to set forth requirements that applicants must meet in submitting an application for LWCF or ORLP funding assistance.¶

(1) Applicant Eligibility. Public agencies eligible for LWCF funding assistance are:¶

(a) Local Governments and federally recognized Indian tribes:¶

(A) City Park and Recreation Departments;¶

(B) County Park and Recreation Departments;¶

(C) Park and Recreation Districts;¶

(D) Port Districts;¶

(E) Federally recognized Indian Tribes in Oregon;¶

(F) Metropolitan Service Districts.¶

(b) State Agencies:¶

(A) Oregon Parks and Recreation Department;¶

(B) Oregon Department of Fish and Wildlife;¶

(C) Oregon Department of Forestry;¶

(D) Oregon Department of State Lands.¶

(c) ORLP: In addition to the requirements in (a) and (b), an applicant must also meet the National Park Service population requirements and be located within an Urbanized Area.¶

(2) Matching Requirements. Minimum match requirements are 50 percent of total eligible project costs. Match requirements may be reduced upon the discretion of the National Park Service. The eligible match may include local budgeted funds, local agency labor or equipment, other grants, donated funds, and value of private donated property, equipment, materials, labor, pre-development costs within the past three-year period, or any combination thereof. Engineering and administration ~~costs and~~ ve costs incurred prior to and after the State/Local Agreement cannot exceed 15 percent of the total project costs.¶

(a) The LWCF Act prohibits the use of other federal financial assistance in a project assisted with LWCF, except in those instances where the statutory provisions of a subsequent federal grant-in-aid program explicitly allows recipients to use such assistance to match another federal grant.¶

(b)-For LWCF: The minimum federal share shall be no less than \$~~250,000~~ (\$~~1050,000~~ total project costs), unless otherwise authorized by the ~~D~~director.¶

~~(c) For ORLP: The minimum and maximum federal share are established by the National Park Service.¶~~

(3) Projects Eligible for Funding:¶

(a) Projects eligible are acquisition, development and major rehabilitation projects that are consistent with the outdoor recreation goals and objectives contained in the Statewide Comprehensive Outdoor Recreation Plan (SCORP) and the Implementation Program, and recreation elements of local comprehensive plans, and which satisfy the requirements of the federal LWCF Program.¶

(b) Marine facility and related support facility development requests are eligible for funding. Projects which use funds from the federal Dingell-Johnson Act may not be used as match.¶

(4) Local Agency Requirements. Local agencies participating in the LWCF funding assistance program must show that:¶

(a) There is a current park master plan in effect and that the project is consistent with the local comprehensive land use plan and SCORP; or¶

(b) There is not a current park master plan in effect, but the project is consistent with the local comprehensive land use plan or a current local planning document and SCORP.¶

(5) State Agency Requirements. State agencies participating in the fund assistance program must identify that the project:¶

(a) Is in their legislatively approved biennial budget; or¶

(b) Is mandated by legislation; or¶

(c) Has support from agency leadership.¶

The project must be consistent with the SCORP.¶

(6) Application¶

(a) All applications for funding assistance for outdoor recreation projects must be submitted in a format prescribed

by the Department. All applications must be consistent with the Oregon Application Procedures Manual and at a minimum, each application must contain the following information:¶¶

(A) Project narrative;¶¶

(B) Environmental resources survey;¶¶

(C) Maps:¶¶

(i) LWCF boundary map;¶¶

(ii) Site Plan;¶¶

(iii) Urban growth boundary map; and¶¶

(iv) Vicinity Map.¶¶

(D) State agency review;¶¶

(E) Property deed or lease agreement. The Department will not approve development of facilities on leased land except for property either:¶¶

(i) Leased from the Federal Government with no less than 25 years remaining on the lease and is not revocable at will; or¶¶

(ii) Leased from one public agency to another for 25 years or more, provided that safeguards are included to adequately ensure the perpetual use requirement of the LWCF Act. Such safeguards may include joint sponsorship of the proposed project or other agreement whereby the lessor land-owning agency would provide assurances that it would assume compliance responsibility for the LWCF boundary area in the event of default by the lessee or expiration of the lease, and these assurances are explicitly reflected in the project agreement.¶¶

(F) Estimate of project costs and schedule;¶¶

(G) Documented Americans with Disabilities Act Compliance Plan specific to projects;¶¶

(H) Certification by applicant of availability of local match;¶¶

(I) All required permits and certifications as identified in the Oregon Applications Procedures Manual;¶¶

(J) Land Use Compatibility Statement completed by the appropriate planning department;¶¶

(K) Other documentation that may be required by the Department.¶¶

(b) Additional requirements for acquisition projects:¶¶

(A) Appraisal. Appraisals must conform to the Uniform Appraisal Standards for Federal Land Acquisitions;¶¶

(B) Appraisal Review;¶¶

(C) Preliminary title report; and¶¶

(D) Proof of willing seller or donor.¶¶

(7) Application Process:¶¶

(a) The Department shall announce through a variety of media the availability of, procedures for, deadlines, and other information for applying for LWCF or ORLP funding assistance. The Department shall not consider incomplete applications or applications submitted after the deadline set by the Department. The Department Grants Program staff shall perform a technical review of all applications and forward eligible applications for LWCF funding assistance to the OORC. The OORC will meet to evaluate the applications and make recommendations to the Director for Oregon Parks and Recreation Commission approval for all eligible projects submitted.¶¶

(b) ORLP: Applications submitted for ORLP funding assistance will be submitted to the Oregon Parks and Recreation Commission for approval to apply to National Park Service.¶¶

(8) Project administration:¶¶

(a) A signed state/local agreement shall constitute project authorization. No project may begin without a signed state/local agreement from the Department;¶¶

(b) The project sponsor shall have one year from the date of authorization to begin substantial work (i.e., the award of contracts or to complete at least 25 percent of the work, if done by force account). Force account work is work on a development project with the forces and resources of the project sponsor. Projects not conforming to this schedule will be canceled, unless substantial justification warrants an extension.¶¶

(c) The Department may grant an extension for a six month period. Further extensions may be granted with substantial justification and contingent upon the Department having received sufficient funding, appropriations, limitations, allotments, or other authority. ¶¶

(d) All projects shall be completed and billed within two years from the authorization date. Projects will be inspected and audited by the Department, or its designee prior to final grant payment. Partial payments up to 75 percent of the grant amount may be billed during the project for work completed.¶¶

(e) Project amendments that increase the federal share will generally not be allowed. Project amendment requests based on extraordinary circumstances will, however, be reviewed on a case-by-case basis. Requests for time extensions must be approved by the Department prior to expiration of the approved project period as set forth in the state/local agreement.

Statutory/Other Authority: ORS 390.180

Statutes/Other Implemented: ORS 390.180