
HOUSE BILL 2041

State of Washington 54th Legislature 1995 Regular Session

By Representatives Sommers and Chopp

Read first time 02/22/95. Referred to Committee on Capital Budget.

1 AN ACT Relating to the study of a pooled revenue distribution
2 system for managing state lands; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that state trust land
5 revenues provide an important funding source for school construction,
6 state facilities, and local governments and that it is in the best
7 interest of citizens of the state to ensure a consistent and
8 predictable flow of trust revenues for these purposes. Further, the
9 legislature finds that the traditional financial practices utilized in
10 this state for managing trust revenues do not serve to insulate trust
11 beneficiaries from the year-to-year variations in harvest and income
12 that result from natural forces or environmental policy decisions. The
13 purpose of this act is to evaluate the feasibility of developing an
14 alternative trust land revenue management system that provides for a
15 more consistent and predictable revenue stream to trust beneficiaries.

16 NEW SECTION. **Sec. 2.** The board of natural resources shall
17 evaluate the feasibility of establishing a pooled revenue distribution
18 system for state lands, as defined in RCW 79.01.004. For the purposes

1 of this section, a "pooled revenue distribution system" means a system
2 that distributes revenues to each trust beneficiary based on the
3 proportional net present value of revenue forecasted for each trust
4 ownership over a defined time period. Actual revenue distribution to
5 each trust during a fiscal period would be based on the assigned
6 proportional benefit multiplied by the actual total revenues produced
7 from all state lands during the period.

8 NEW SECTION. **Sec. 3.** The board shall report to the legislature on
9 its evaluation, including any recommendations for implementation, by
10 November 1, 1995. The report shall include necessary modifications to
11 the legal framework governing state trust land revenues, a proposed
12 valuation methodology, as well as a forecast of potential revenue
13 distributions using a pooled revenue distribution system.

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