

HOUSE BILL REPORT

HB 2533

*As Reported By House Committee on:
Natural Resources & Parks*

Title: An act relating to the disposition of real property by the commissioner of public lands.

Brief Description: Allowing the nonpermanent disposition of public lands.

Sponsor(s): Representatives Riley, Rasmussen, Wynne and Morton; by request of Department of Natural Resources.

Brief History:

Reported by House Committee on:
Natural Resources & Parks, February 6, 1992, DPS.

**HOUSE COMMITTEE ON
NATURAL RESOURCES & PARKS**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 11 members: Representatives Belcher, Chair; Scott, Vice Chair; Beck, Ranking Minority Member; Brumsickle, Assistant Ranking Minority Member; Dellwo; Fraser; Hargrove; Morton; Riley; Sheldon; and Wynne.

Staff: John Conniff (786-7119).

Background:

The Department of Natural Resources (DNR) may sell, lease, or exchange public lands only in accordance with statutory procedures. Generally, land sales must be accomplished through public auction at no less than appraised value. Leases may be accomplished through public auction for new leases or by negotiation for existing leases and leases related to commercial, industrial, or residential uses. Generally, land exchanges can occur only after public notice and hearing in the county in which the land is located.

In addition to the general procedures for the sale, lease, and exchange of public lands, DNR may purchase and sell land through the state land bank. DNR may acquire land of greater income generating potential and place it in the land bank for subsequent use in replacing less desirable land so that the total publicly owned land base remains the same.

The land bank facilitates land replacement. However, the total acreage held in the land bank may not exceed 1,500 acres, thereby limiting the size of land transactions. In addition, when urban land is exchanged for land bank properties, government agencies are afforded preferential rights to acquire the urban land; but, other provisions of the land bank statute may preclude such exchanges without public auction, thereby complicating or negating a public agency's preferential rights.

Summary of Substitute Bill: With the approval of the board of natural resources, the DNR may transfer or dispose of real property without public auction when transferring in lieu of condemnations, transferring to public agencies, or transferring to resolve trespass and property ownership disputes, if such transfer or disposition is nonpermanent. Transfers or dispositions can be made only after appraisal and must obtain fair market value. The consideration paid for such transfer or disposition must be used for replacement property.

Funds received for real property transfers and dispositions are to be deposited to the real property replacement account which is created as a new separate account in the state treasurer's office.

Substitute Bill Compared to Original Bill: Provisions requiring the credit of interest earnings to the newly created account are removed and clarifications are made.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: The DNR needs a more simplified procedure for transferring or disposing of public land to resolve trespass and property disputes and to transfer land in lieu of condemnation. In addition, creation of a separate account will facilitate such transactions.

Testimony Against: None.

Witnesses: Pat McElroy, Department of Natural Resources (in favor); and Jeff Dickison, Squaxin Island Tribe (in favor).