

# HOUSE BILL REPORT

## ESB 6161

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*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):** Senators Oke and Sutherland; by request of Department of Natural Resources.

**Brief History:**

Reported by House Committee on:  
Natural Resources & Parks, February 27, 1992, DPA.

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**HOUSE COMMITTEE ON  
NATURAL RESOURCES & PARKS**

**Majority Report:** *Do pass as amended.* 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 Amended 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 treasury. Funds in the account may be spent only in accordance with legislative appropriation.

***Amended Bill Compared to Engrossed Bill:***

Expenditure of funds in the real property replacement account are subject to legislative appropriation. Other technical changes are made.

***Fiscal Note:*** Not requested. (Fiscal Note on companion HB 2533 available).

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

***Testimony For:*** This act will allow DNR to more easily resolve trespass disputes and transfers of land to government entities.

***Testimony Against:*** None.

***Witnesses:*** Pat McElroy, Department of Natural Resources (in favor).