

SENATE BILL REPORT

ESHB 2533

**AS REPORTED BY COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES,
FEBRUARY 26, 1992**

Brief Description: Allowing the nonpermanent disposition of public lands.

SPONSORS: House Committee on Natural Resources & Parks (originally sponsored by Representatives Riley, Rasmussen, Wynne and Morton; by request of Department of Natural Resources)

HOUSE COMMITTEE ON NATURAL RESOURCES & PARKS

HOUSE COMMITTEE ON CAPITAL FACILITIES & FINANCING

SENATE COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES

Majority Report: Do pass.

Signed by Senators Metcalf, Chairman; Oke, Vice Chairman; Amondson, Barr, Conner, Owen, Snyder, Sumner, and Sutherland.

Staff: Vic Moon (786-7469)

Hearing Dates: February 26, 1992

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; however, 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:

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.

Appropriation: none

Revenue: none

Fiscal Note: available

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

TESTIMONY FOR:

The accounting process will save money and help local governments acquire properties from the department.

TESTIMONY AGAINST: None

TESTIFIED: Pat McElroy, Department of Natural Resources