

SENATE BILL REPORT

SB 6494

AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES, FEBRUARY 7, 1992

Brief Description: Modifying sublease and rent requirements concerning the ninety-nine-year lease of Hanford reservation land.

SPONSORS: Senators Thorsness and Jesernig

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: That Substitute Senate Bill No. 6494 be substituted therefor, and the substitute bill do pass.

Signed by Senators Thorsness, Chairman; Jesernig, Nelson, Roach, Stratton, Sutherland, and Williams.

Staff: Phil Moeller (786-7445)

Hearing Dates: February 7, 1992

BACKGROUND:

In 1964 the federal government and the state of Washington entered into a 99-year lease of 1000 acres of land located on the Hanford reservation. The land is owned by the federal government and is leased to the state for the purpose of subleasing the land to nuclear-related industries.

Only one portion of the 1000 acres has been subleased since 1964. This sublease is for 100 acres and is used as a commercial low-level radioactive waste disposal facility.

The lease stipulates that any rent money paid to the state is to be used to further promote the site. After it had been determined that these funds (recently \$6,000 per year) had not been used for site promotion, in 1990 the Legislature enacted a measure to promote the site. This measure directed the Department of Trade and Economic Development (DTED) to promote the site and included a \$40,000 appropriation. DTED executed a contract with the local associate development organization for the site promotion.

Due to a mistake, the \$40,000 appropriation was not spent by the end of the 1989-91 biennium. The \$40,000 subsequently reverted to the state general fund.

Recently there has been renewed interest in use of the 1000 acre site. If further development of the site occurs, the potential exists for the annual rent to reach significant levels. Without a change in the original lease, the terms of the lease would still require that this rent money be spent on site promotion.

SUMMARY:

When promoting the 1000 acres at Hanford, the Department of Trade and Economic Development is directed to work in cooperation with any associate development organization located in or near the Tri-Cities area.

The Hanford sublease rent account is created in the state treasury. Monies in the account may be spent only after appropriation and for the purpose of promoting the existence of the site, promoting the opportunity to sublease the land, and to execute any new sublease agreements that meet the terms of the lease. Sources for the account shall include any rent payments from subleases of the land and any other funding from local, state, or federal agencies.

EFFECT OF PROPOSED SUBSTITUTE:

It is clarified that the bill does not affect any existing agreements or contracts pertaining to sublease rental disbursements.

Appropriation: \$40,000

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

The account created in this bill will provide more certainty regarding the disbursements of these rental funds.

TESTIMONY AGAINST: None

TESTIFIED: No one