

**SENATE BILL REPORT**

**SB 5687**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 5, 1993**

**Brief Description:** Permitting the pooling of department of natural resources trust management accounts.

**SPONSORS:** Senators Owen, Pelz and Bauer

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Cantu, Gaspard, Hargrove, McDonald, Owen, Pelz, Quigley, Roach, Snyder, Sutherland, Talmadge, West, Williams, and Wojahn.

**Staff:** Michael Groesch (786-7715)

**Hearing Dates:** March 4, 1993; March 5, 1993

**BACKGROUND:**

The Department of Natural Resources manages 2.1 million acres of land held in trust for various beneficiaries including common schools, the University of Washington, Washington State University, regional universities, state capitol buildings and grounds, and charitable, educational, penal and reform institutions.

The department may receive up to 25 percent of the revenues derived from trust lands for management expenses. Revenues from all trust lands are deposited into the Resource Management Cost Account (RMCA) but receipts and expenditures associated with individual trusts are tracked separately. If the individual trusts are not producing sufficient revenue to meet management expenditures, the department may use funds from other trusts to meet those expenses. Such subsidies are considered debt against the trust property which benefits from the management activity.

**SUMMARY:**

Funds deposited into the Resource Management Cost Account may be pooled for the purpose of trust land management.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

Pooling of management funds will allow for more efficient management of trust forest lands. All of the trust beneficiaries will benefit equally over time.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Art Sterns, Department of Natural Resources